2017

The Elusive Equalizer: How Racial, Class, And Gender Inequality Persists Among College Educated Millennials

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Abstract
This dissertation investigates the financial well-being of college educated millennials. A four-year college degree has long been considered the great equalizer, helping young people achieve middle class status despite their own family background. However, there remain troubling racial, class, and gender disparities among millennials, a group of young people who entered the labor market just as the Great Recession of 2008 hit. The Great Recession is often understood as the greatest economic downturn since the Great Depression. Because of this, this dissertation assesses college educated millennials' financial well-being by focusing on three outcomes of interest: student debt, earnings, and financial stress. Debt is particularly harmful to Black millennials. This poses an additional burden on a group that has historically lacked wealth. This makes it increasingly difficult for college educated Black millennials to achieve financial well-being after college. Students from middle income households also struggle with debt more than either their wealthier or disadvantaged peers. Though a college degree helps many secure better paying employment, Latina/os tend to get paid less than their White counterparts, even after holding constant a number of background, academic, and employment characteristics. Likewise, mothers continue to suffer a penalty since they earn less than their male, childfree peers. Lastly, mothers are also more likely to experience greater levels of financial stress. These findings provide urgent implications for policymakers in order to improve equity through more generous financial aid packages, active efforts to pay mothers and Latina/os equally on the part of employers, and robust parental leave and support programs, like many of the US' industrialized peers already enjoy. Together this dissertation shows both the advantages and shortcomings college educated millennials experience several years after obtaining their degree.

Degree Type
Dissertation

Degree Name
Doctor of Philosophy (PhD)

Graduate Group
Sociology

First Advisor
Camille Z. Charles

Keywords
Great Recession, labor market, millennials, motherhood penalty, racial inequality, racialization

Subject Categories
Higher Education Administration | Higher Education and Teaching

THE ELUSIVE EQUALIZER: HOW RACIAL, CLASS, AND GENDER INEQUALITY PERSISTS AMONG COLLEGE EDUCATED MILLENNIALS

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A DISSERTATION

in

Sociology

Presented to the Faculties of the University of Pennsylvania

in

Partial Fulfillment of the Requirements for the

Degree of Doctor of Philosophy

2017

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THE ELUSIVE EQUALIZER: HOW RACIAL, CLASS, AND GENDER INEQUALITY PERSISTS AMONG COLLEGE EDUCATED MILLENNIALS

For Danny, Ezra, and Mei

ACKNOWLEDGMENT

I am grateful for all the folks, both friends and associates, who helped me complete this journey. I want to acknowledge those faculty members at Penn who provided invaluable assistance in the way of mentoring and academic advisement. Thank you for all the effort and time spent on my work. I am especially grateful to my mentor Camille Z. Charles. I can truly say that I made it this far because of all the help you provided me. I understand that I cannot thank you enough, Camille, but I hope you know, if even just a bit, how truly grateful I am for you. It is still true that I want to be like you when I grow up. I also thank the terrific and indefatigable administrative staff at Penn Sociology including Audra Rodgers and Aline Rowens.

I thank my wonderful husband, Danny. I am deeply thankful for your support and encouragement not only during these years in graduate school, but also through our entire relationship. You have consistently spurred me on toward my dreams and ambitions. I have never met a man like you. I love you. I am also indebted to my sister Glorimar for her unyielding supply of kindness and love. You are like a mother to me and I am grateful for that. I acknowledge my niece, Amanda, who is already blazing her own trail by beginning to pursue a doctoral degree. Thank you for being a constant reminder of the younger generation whom we are meant to influence. You are brilliant.

I am grateful to have inherited from my parents, Tomasa and Carlos, the motivation to do what I do. My father instilled in me the need to be outraged at injustice through relaying his own experience with racism and xenophobia. My mother, through her love of reading and politics, developed in me a passion to make this world a better place. Together they created for me a safe place where being Puerto Rican was not an obstacle to overcome, but rather something beautiful to celebrate. I never appreciated that more than when I went out on my own and into the real world. *Gracias y los quiero mucho*. I also thank those warm and thoughtful friends without whom this entire enterprise would have been far drearier. Thank you for the coffee dates, sympathy, and great laughs. Lastly, I will thank my community of faith and those who provided me with comfort and unconditional love, especially during the difficult times.

ABSTRACT

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This dissertation investigates the financial well-being of college educated millennials. A four-year college degree has long been considered the great equalizer, helping young people achieve middle class status despite their own family background. However, there remain troubling racial, class, and gender disparities among millennials, a group of young people who entered the labor market just as the Great Recession of 2008 hit. The Great Recession is often understood as the greatest economic downturn since the Great Depression. Because of this, this dissertation assesses college educated millennials' financial well-being by focusing on three outcomes of interest: student debt, earnings, and financial stress. Debt is particularly harmful to Black millennials. This poses an additional burden on a group that has historically lacked wealth. This makes it increasingly difficult for college educated Black millennials to achieve financial well-being after college. Students from middle income households also struggle with debt more than either their wealthier or disadvantaged peers. Though a college degree helps many secure better paying employment, Latina/os tend to get paid less than their White counterparts, even after holding constant a number of background, academic, and employment characteristics. Likewise, mothers continue to suffer a penalty since they earn less than their male, childfree peers. Lastly, mothers are also more likely to experience greater levels of financial stress. These findings provide urgent implications for policymakers in order to improve equity through more generous financial aid packages, active efforts to pay mothers and Latina/os equally on the part of employers, and robust parental leave and support programs, like many of the US' industrialized peers already enjoy. Together this dissertation shows both the advantages and shortcomings college educated millennials experience several years after obtaining their degree.

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Chapter 1

The Elusive Equalizer: How Racial, Class, and Gender Inequality Persists among College Educated Millennials

Millennials: Generation Me or Generation In Need?

Millennials, the generation of Americans born roughly between 1980 and 1995, piqued my interest for numerous reasons not the least of which was their uniquely precarious financial future. This generation of young people came of age after the attacks of September 11, 2001. This event and the subsequent domestic and global responses to it framed this group's perspective on the world. Just as important, though less recent, is millennials living in a completely deindustrialized society, far removed from the golden age of manufacturing post-World War II boom. The new economy meant that a four-year college degree would be the minimum credential for many entry level positions. Millennials lived in the shadow of the worker's unions' hey-day and the security of a living off of solid, working class employment. What is more, the deindustrialization and deregulation fostered by President Ronald Reagan's policies meant that wealth accumulated almost exclusively among the upper class. This occurred as workers' wages stagnated. The end of the 20th century ended with large-scale deindustrialization which decimated many working class jobs and a deregulation of corporations, allowing many to accrue previously inconceivable amounts of wealth. A gaping chasm in wealth resulted; into this, millennials were born.

Complicating this picture of inequality was the dismantling of policies that benefitted Americans of color. Just as the affirmative action policies implemented in the years immediately following the Civil Rights movement helped bridge the gap between Blacks and Whites in educational achievement, income, and access to improved housing, they suffered continuous blows in the courts. The 1980s solidified this rapid dismantlement and exacerbated it by nonsensical notions of "reverse racism." Thus, not only did policies of the late 20th century grow the income and wealth gaps between rich and poor, it also undid and reversed some of the progress made my policies meant to ensure equity between Whites and groups of color.

Despite criticism of millennials as self-absorbed and entitled, the economic reality into which they were born and into which they are expected to live is dismal. Exacerbating the harmful policies of the 1980s was the Great Recession of 2008. Coined the greatest economic downturn of since the Great Depression, this introduced immense turmoil on Wall Street and large banks which reverberated on Main Street. The economy shed large numbers of jobs, harming workers, even as banks were provided with federal bailouts. Many older millennials, those born in the early to mid-1980s, entered the labor market at this time. The derision aimed at this generation is hardly warranted given their uniquely precarious financial well-being.

Higher Education: Engine of Mobility or Reproducer of Inequality

A long debate in sociology and other fields characterizes education as an engine for mobility versus education as the reproducer of inequality. Like many others before, this study suggests a more complicated truth, somewhere between the two and not quite

either. As mentioned above, millennials live an era where a college degree is the minimum credential for entry level employment. As such, young people today are the most highly educated compared to their older counterparts. A large body of research shows the financial benefits a college degree bestows, compared to those with a high school diploma alone. In addition, college offers social and cultural capital benefits that can last a lifetime and beyond. Parents with college degrees not only benefit from higher incomes but also transfer advantages to their children such as a leg up in school, compared to poorer children. Status attainment literatures established, decades ago, how education helps mitigate parental SES. Educational attainment is the protection many poor and working class people need in order to have a chance at a higher standard of living. Indeed, possessing a four-year college degree is beneficial both in the short and long term.

However, research also shows that this credential is not a guarantee of positive social outcomes. For example, college graduates today are more likely than those before them to carry heavy student debt burdens. Entering a tighter labor market, one deeply shaped by the Great Recession, results in greater competition for fewer jobs. This tips the advantage toward employers who can help decide employee salaries. All of this can make this generation of young workers fear about their ability to meet their financial obligations. It is because of these factors I outlined above that I make a case about higher education playing the role of an elusive equalizer. This places this important institution someplace between engine of financial stability and as mere reproducer of existent inequalities.

Research Questions That Drive This Study

To better understand the role of a four-year college degree, the key to even entry level employment for many young people, I pose the following research question: Does a four-year college degree afford all millennials similar financial benefits. More specifically, do millennials struggle with student debt equally or does it burden some groups of college graduates more than others? Once they graduate from college, is there parity in earnings among millennials? Or do the same old inequalities persist, namely along racial and gender lines? Lastly, do millennials equally struggle with financial stress, that fear of the inability to meet all financial obligations or do some groups grapple with this more than others. I limited the study to a cohort of millennials born around 1986 to reduce extraneous factors that differentiate this group of college graduates with those of previous generations.

Order of the Study

This study looks to assess millennials post-college financial well-being. To this, I look at three outcomes: the need to accumulate student debt in order to pay for college; earnings; and the experience of financial stress. Relying on the bodies of literature from researchers in various social sciences, including sociology, economics, education, and psychology, I assume that millennials, the generation born after 1980, is in a particularly precarious financial position. What I examine in greater detail, however, are within-cohort differences in financial well-being. Thus, the analyses in the following chapters disaggregate by race and nativity and include key influential factors such as

socioeconomic status, academic achievement, financial aid, and employment characteristics.

Student debt

The first outcome of interest is student debt. College tuition has increased at alarming rates at the same time that federal and state governments have shifted their view of higher education. While after World War II, the federal government produced policies to increase educational attainment among a largely White and male population returning from war, recent decades show a steady decline in this type of investment. Instead, higher education is best understood by the government as a tool for self-improvement. As such, it requires a decreasing degree of subsidization. This proves to become a difficulty disproportionately to the new waves of college goers from disadvantaged backgrounds, namely African Americans low socioeconomic status students.

Debt is the opposite of wealth. Sociologists like Oliver and Shapiro show its unique significance apart from income. Income is a crucial determinant of financial well-being as I argue below. However, it is far less durable than wealth. While one can lose income instantaneously as a result of serious injury or a lay-off, wealth provides long-term protection from financial catastrophe (Conley 1999). In addition, traditionally, most Americans' wealth has been tied to one's home. People of color, especially those who are poor or working class, are much less likely to own their own home and, thus, much less likely to possess much in the way of wealth. The post-World War II large-scale development of suburbs largely excluded Blacks; this was reinforced by redlining policies. Lest we make the mistake that these discriminatory policies are a

thing of the past, one must remember that the Great Recession exposed banks' predatory loans imposed on many people of color. This led to the further wiped out the relatively little wealth Blacks and Latina/os did possess.

Because of this, I included an analysis a measure of student debt. Further research will need to assess to what extent the taking on of this debt burden hampers this generation's ability to pursue life course events such as marriage/cohabitation, childbearing, purchasing a home, and accruing wealth in order to transmit it to the next generation. This kind of work will require much more time. However, I still found it crucial to include a measure of debt in this study and, thus, I chose the likelihood of needing to borrow for college in order to afford it.

The findings in this study suggest that native-born Black millennials rely on student debt far more than their White counterparts despite controlling for important factors such as SES, parental wealth, academic achievement, and financial aid. Though necessary, holding these constant did not eliminate Blacks' disproportionate reliance on student debt in order to make college affordable. Note that this is made worse by the fact that Blacks, on average, possess much less wealth than Whites. Further, the relatively little wealth Blacks did possess, was largely reduced to nothing by the Great Recession. Among millennials, a college degree is not enough to reduce this burden for Blacks.

Millennials who come from poor and working class backgrounds also struggle with greater odds of accruing student debt. The findings in this chapter suggest a definitely yet nonlinear association between SES and the reliance on student debt in order to pay for college. All quartiles below the very highest struggle more with debt. However, the second quartile SES respondents rely more on loans than either the third- and lowest SES respondents. What this means is that though middle income and the

very poorest millennials rely on student loans more than the most well-off, it is this in-between quartile that struggles the most. This finding has urgent implications for financial aid policy makers. That parental wealth plays a key protective role in lowering the odds of taking out a loan places further emphasis on this policy relevance.

This look at student debt also shines light on the role of different forms of financial aid. I argue throughout this dissertation that financial aid is exceedingly important, perhaps more now than ever before. However, there are key distinctions in the types of aid available for various student populations. Namely, Pell grants benefit mostly low income students while some types of loans help those who are middle income. In the analyses below, I include three major forms of aid young people tend to receive: parental contributions, the aforementioned Pell grant, and federal work study. What I find is that receiving parental contributions and a Pell grant are key in lowering the odds of needing to borrow for college. However, those who participate in work study are nearly four times more likely to borrow than their non-work study peers. This finding suggests that those affluent enough to receive financial help from their parents as well as those with sufficiently low income to receive a Pell grant both enjoy some protection from student debt. Perhaps those who fit in neither category might be at increased risk of accumulating student debt.

Earnings

As I mentioned above, annual earnings are one of the most easily discernable indicators of financial well-being. There are long-standing and substantial differences in

pay among various groups, even for the same work. Since White women entered the labor force in large numbers after World War II, a significant earnings gap existed between them and their male counterparts. This difference in earnings has very slowly diminished but it remains, to this day. In 2012, women earned 84 cents for every one dollar men earned[1]. However, the gap varies widely by race with women of color faring the worst[2]. Black and Pacific Islander women earned just about 65% of what White men earned; White women earn just under 80% of what White men do while Asian women earn 90%. Latinas fared the absolute worst by earning roughly half of what White men earn – a paltry 56%. At the current rate of progress, Black women will reach pay equity in the year 2124; Latinas would not achieve it until 2248[3]. Childbearing status affects salaries. Not only do women tend to earn less than men, mothers also earn less than their male counterparts[4]. In fact, women who are parents earn less than men who are childfree. Employers compensate workers differentially according to their race, gender, and even parenting status.

As various bodies of literature indicate, educational attainment is a key factor in determining one's income. Among Americans aged 25 and over, there are steep inclines in earnings with each additional educational credential. For example, those with bachelor's degrees earn nearly 70% more than those with a high school diploma alone[5]. Those with Master's degrees earn about 20% more than those with only a bachelor's credential. And, those with professional degrees such as law or medical degrees, earn

[1] Kochhar, Rakesh. "How Pew Research measured the gender pay gap." Pew Research Center. http://www.pewresearch.org/fact-tank/2013/12/11/how-pew-research-measured-the-gender-pay-gap/ 11 December 2013.
[2] Leber, Rebecca. "The Gender Pay Gap is Bad. The Gender Pay Gap for Women of Color is Even Worse." The New Republic. https://newrepublic.com/article/121530/women-color-make-far-less-78-cents-mans-dollar 14 April 2015.
[3] Institute for Women's Policy Research. "Employment, Education, and Economic Change." https://iwpr.org/issue/employment-education-economic-change/pay-equity-discrimination/ 31 October 2016.
[4] Department of Labor, Women's Bureau. https://www.dol.gov/wb/stats/mother_families.htm 2013.
[5] Bureau of Labor Statistics. https://www.bls.gov/emp/ep_chart_001.htm/ 15 March 2016.

more than 50% more than those with just bachelor's degrees. Thus, possessing an educational credential above a high school diploma yields much higher salaries.

Because of its significance in indicating financial well-being, annual earnings is the outcome of focus in chapter three. Specifically, I am interested in understanding what factors influence post-college annual earnings for millennials. By holding educational attainment constant for all in the sample, I hoped to eliminate the credential as a factor in determining respondents' earnings. Yet, I found that other, important differences remained. Though this study focuses only on millennials who obtained a bachelor's degree within four years, important differences in earnings emerged. Namely, native-born Latina/os and Asians, regardless of nativity, earned less than Whites. However, Asians' lower earnings appear to be associated with their disproportionate absence from full-time work. The findings suggest that Asians' might have lower earnings because they are out of the labor market but not seeking work. This category includes those pursuing graduate degrees, something that many Asians often do after college. Thus, I argue that the more troubling finding seems to be Latina/os' lower earnings. Nothing else in the model explains this disadvantage. More work will need to be done in the future in order to understand this.

The other important factor that influenced earnings was motherhood. Past studies provided evidence of a motherhood penalty whereby the mere event of parenthood hinders women's success in the workforce. I wanted to see if this still existed among a generation of young people who not only express beliefs in egalitarian gender roles but also are the most well-educated in terms of college degree attainment. If a high school degree was the minimum credential to engage fully in the labor market since the end of the WWII and a college degree fulfills that very purpose in today's economy, then

it would follow that this generation of young Americans are among the most well-prepared. And yet, I find that despite obtaining four-year college degrees, millennials who become mothers earn significantly less than childfree men. There appears to be a distinct discrepancy between this generation's beliefs about gender parity and how the labor market responds to their respective genders and parental statuses.

Financial stress

The third and final indicator I investigated was the experience of financial stress four years after graduating college. The ELS characterizes financial stress as the worry about being unable to meet all of one's financial obligations. It is a subjective rating on a scale from 0 (no financial stress at all) to 4 (extreme amount of financial stress experienced). In included the analysis of financial stress because I believe it provides a more holistic and multi-dimensional view of one's financial well-being. While whether or one needed to take out student loans in order to afford college or how much one earns are both objective ways to assess someone's financial picture, financial stress captures internalized pressure. This matters because past research shows how the experience of financial stress has very concrete repercussions including the harming of one's children's ability to learn[6].

The findings suggest that native-born Latina/os have higher odds of experiencing more stress than Whites until one controls for socioeconomic status. More striking, however, are native-born Blacks' higher odds of financial stress. They have higher odds of more financial stress than Whites even after taking into account background factors such as socioeconomic status, parental wealth marital and parental status. The

[6] The Urban Child Institute. "Stress Has Lasting Effect on Child's Development." http://www.urbanchildinstitute.org/articles/editorials/stress-has-lasting-effect-on-childs-development 15 February 2012

statistically significant difference in financial stress disappeared only when I controlled for educational characteristics such as school type, selectivity, and cumulative grade point average. This suggests that higher education has an important impact on Black millennials' experience of financial stress four years after graduating from college. What is more, once the models held constant financial aid characteristics, native-born Blacks actually had lower odds of experiencing higher levels of stress than Whites. In this, regard, education, both type of college as well as financial aid received, truly serve as an equalizer for native-born Black millennials.

On the other hand, the findings suggested no such reprieve for female millennials. Women had higher odds of financial stress than men in every single model. Thus, regardless of controlling for background, educational, financial aid, and even employment characteristics, millennial women had greater odds of experiencing more stress about their finances, compared to their male counterparts. In fact, women's odds remained constant despite the added covariates. This suggests that to reduce women's greater likelihood of more stress, more work will need to be done. These models show that the answer might lie beyond family background, education, and employment. That women experience are more likely to feel out of control over their finances is unsettling.

Though background factors were unable to eliminate the statistically significant difference in stress between female and male millennials, it was importantly related to the experience of stress in low income respondents. Respondents in every socioeconomic quartile lower than the highest had a higher likelihood of greater stress. Those millennials whose parents helped pay for college were, likewise, less likely to experience high levels of financial stress. Respondents relying on student loans were at a very high risk of feeling great levels of stress. These odds remained stable until the

models controlled for financial aid characteristics. This suggests that financial aid is of crucial important in helping lower the odds of high levels of financial stress for lower income millennials. Including financial aid factors also eliminated the statistically significant difference in stress between those whose parents could pay for college and those not fortunate to have these parental resources. It is important to note, however, that including financial aid and even employment characteristics did not completely eliminate the statistically significant difference between the highest SES respondents and those in lower SES quartiles. There are other factors, not accounted for in the models, that contribute to low income millennials experiencing greater loss of control over their finances. These could be greater financial burdens and responsibilities from their families of origin. Whatever the reasons may be, more work ought to be done in this area. Of particular value might be qualitative research in order to better assess what low income millennials' financial burden entails. As for socioeconomic status, financial aid is necessary in ensuring equity between high and low income millennials, but not sufficient.

Finally, those respondents who decided to start families had higher odds of greater stress levels than their childfree counterparts. What is more, women who were parents were more likely to experience financial stress than childfree men in every model until I included employment characteristics such as yearly earnings, professional/managerial status, and employment status. Interestingly, women who are mothers tend to face a disadvantage in all these regards. Ultimately, being a parent was associated with a greater likelihood of more financial stress net of numerous background, educational, financial aid, and employment characteristics. Millennials are the latest generation of American workers to grapple with the challenge of having a family while participating in the labor market. Possessing a college degree is insufficient

in protecting parents from greater stress levels than their childfree peers. I argue that this finding adds to the growing calls to policymakers to provide parents with greater access to more robust parental leave, for both parents, as well as increased access to high quality childcare.

Implications for Social Policy

I would be derelict in my duties if I ended this study by merely describing the findings. Instead, I believe it imperative to provide at the very least an outline for some policy suggestions that might help mitigate the inequalities that my findings suggest. Despite what some scholars argue, student debt is a serious problem for this generation of workers and, in particular, for those who come from families with little wealth – African Americans and students from low income families. It is not just the amount of debt taken on that poses a serious threat to these millennials' financial well-being and security. What further strengthens my argument is that both Black and low income millennials are much more likely to experience high levels of financial stress, years after graduating with their four year degrees. In addition, the findings suggest repeatedly that financial aid is of crucial importance. Thus, social policy ought to push for an expansion of financial aid, instead of the cuts many state budgets have been facing. If indeed, we as a society, we wish to equip our young people with the skills necessary to buoy the new economy, then policymakers must take seriously the responsibility to help better fund a college education.

This study adds to the growing call for robust paid parental leave for both parents. In addition, I argue that high quality childcare ought to be expanded and understood as a right for all, rather than a luxury for the very affluent. Parents face

higher levels of stress than those who are childfree. We know that stress provides not only a short term, personal burden but it can greatly hamper the development and ability to learn of children. Because of this, I argue that providing expanded parental leave and quality childcare are essential. It ought to bear repeating that the United States, indeed, is the only among its industrialized peers to have such paltry provisions for parents. To catch up, policymakers must realize that making these types of investments will produce healthier, more well-adjusted students who might require more costly resources later in their educational trajectory.

The study's findings suggest that Latina/o and Asian millennials earn less than their White counterparts. After controlling for background, academic, and employment characteristics, being native-born Latina/o and Asian, regardless of nativity, was associated with lower earnings, when compared to their White peers. Though holding constant labor market factors eliminated the difference in earnings between millennial men and women – with women earning slightly more – Latina/os who worked two or more jobs that equaled a full-time work week earned less than Whites. Likewise, Asians who were out of the labor market, especially those who are native-born, were likely to earn significantly less than Whites. The latter finding makes intuitive sense since Asians tend to be overrepresented in graduate school at this stage in the life course. Future research will likely show improved earnings later in these millennials' careers. More troubling, however, is that Latina/os who work multiple jobs earn less than Whites. Future research must address what jobs college educated Latino/a millennials acquire after graduating as well as how well they pay compared to other groups. Also puzzling is why this segment of middle class Latina/os needs multiple jobs. It might be a symptom of a lagging economy or, perhaps worse, it might suggest some sort of discrimination in the labor market.

It is clear that post-college graduation employment characteristics make a difference in millennials' earnings. One's type of occupation, experience with unemployment, and the extent to which one is engaged in the labor market are all crucial factors that impact one's earnings. Across the board, working professional careers, avoiding unemployment, and engaging in the labor market on a full-time basis are all associated with greater earnings. What is more is that in the final analyses hailing from a lower socioeconomic background or from a family of little wealth did not impact final earnings. However, it is distressing that Latina/os who work multiple jobs earn less than Whites. That this group of millennials struggles with lower earnings despite a college degree might signal something amiss in the labor market.

Mothers are also at a consistent disadvantage in the labor market by earning less than childfree men despite the various factors that the models held constant. Millennial mothers are the latest generation to face an uphill battle in earnings parity. As I argued above, parental leave and greater maternal protections in the labor market are long overdue. It is time to let go of antiquated and erroneous perceptions of mothers in the labor market. It is time for employers to stop penalizing women for bearing children. Not only does this perpetuate inequality it hurts the financial well-being of families and the economy at large.

Chapter 2

The Costly Equalizer: Black, Low Income, and Female Millennials and Student Debt

INTRODUCTION

Higher education has historically played an important role in mitigating inequality for poor Americans, which includes a disproportionate number of Blacks and Latina/os. This has also been particularly true for children of poor immigrants. Education has so highly been extolled by scholars and lay people alike that it is often dubbed "the great equalizer," a panacea to racial and income inequality (Growe and Montgomery 2003; Downey, von Hippel, and Broh 2004; Marina and Holmes 2009; Torche 2011; Holmes and Zajacova 2014). However, in recent decades the way many Americans paid for college has been transformed by the Higher Education Act of 1972 and the subsequent creation of the Student Loan Marketing Association (i.e. Sallie Mae).

Prior to the passage of this piece of the Higher Education Act of 1972, an educated citizenry was understood as benefiting the common good (Williams 2006, 2008; Blacker 2013). The Servicemen's Readjustment Act of 1944, or the G.I. Bill, allowed for many White men the opportunity to obtain low-cost mortgages, low-interest loans to enable the opening of businesses, and higher education. Policymakers enacted this important piece of legislation because the benefits of acquiring a college degree reached far beyond the improvement of one's own financial status. It led to a well-informed citizenry that could better provide for their families. This is similar to the creation of mass housing in suburbs and other social phenomena similar to it, the greater

subsidization of higher education was part of an effort to grow the American middle class – at least for Whites (Pattillo 2005; Wilson 2008; Avila and Rose 2009).

The Civil Rights Act of 1964 ensured broader access to higher education for Blacks and other minorities by legally banning racial discrimination (Gilbert and Heller 2013). Since the passing of this bill, high school dropout rates for Black youth dropped significantly. Between 1976 and 1996, the dropout rates for Blacks decreased from 21% to 13%[7]. High school graduation rates increased also increased for Blacks. They experienced a nearly 10% increase in high school graduation rates (U.S. Department of Education 1999). In addition, by 1997 two-thirds of Latina/o high school graduates immediately enrolled in college. Though still vastly underrepresented, Latina/os grew their presence on college campuses nearly 2% points between 1994 and 1996. Blacks experienced a 48% increase in the attainment of a doctoral degree (U.S. Department of Education 1999).

However, it was at this important juncture in American higher education policy that the Higher Education Act of 1972 was passed, and thus blunting some of the inclusionary effects of the Civil Rights Act. Among other things, the Higher Education Act led to a great shift in how Americans finance higher education. Though education loans were more widely available, it led to a significant transfer of the financial burden of college onto the student (Ozer 1986; Malik and Petersen 1993; Hartle 1996; Hannah 1996; Price 2004). Thus, right at the time of unprecedented access to higher education, US policymakers decided to change how Americans pay for college. In essence, it has become more challenging than ever to graduate college with no student debt. And this burden does not affect all equally.

[7] "Impact of civil rights laws." U.S. Department of Education: Office of Civil Rights. January 1999. http://www2.ed.gov/about/offices/list/ocr/docs/impact.html

This chapter discusses how this change in policy reflects a change in how higher education is understood – from adding to the common good to that of personal improvement. While previous studies in the last decade or so have tackled the problem of student debt, this study uses recent data that investigates which groups of millennials suffer from increased disadvantage from student debt. This cohort belongs to a generation that entered the labor market during the Great Recession of 2008, the worst economic downturn in the United States since the Great Depression (Jaremski 2014; Suarez 2014).

This study uses quantitative methods including logistic regression as well as descriptive data from the Education Longitudinal Study of 2002 (ELS: 2002) to understand what factors affect whether or not young people borrow for college. While the majority of all respondents relied on student loans, three-quarters of Latina/os and Black men, and nearly all Black women did so in order to fund their college education. This study shows that for millennials, especially Blacks and Latina/os, a college degree, while necessary in today's economy, is far from a "great equalizer." To close, implications of this study may have respondents and their future life course events including marriage and cohabitation, childbearing, purchasing a home, and saving for children's education and their own retirement.

PREVIOUS RESEARCH

Perniciousness of Millennial Student Debt

There are at least three reasons that college debt is particularly deleterious to millennials' financial security: it coincides with the nation's largest economic downturn in nearly a century; it is difficult to jettison; and it is growing at the same time college campuses are the most racially diverse. First, college debt has increased dramatically at the same time that the Great Recession solidified a stagnant and slow-growing economy. Therefore, many millennials are accruing record amounts of student debt at the same time that jobs are increasingly difficult to come by (Kotkin 2012; Pew Research 2012; Worth 2015). In addition, too many are not obtaining the high-paying, stable jobs that maintained the middle class and that buoyed those coming from working class backgrounds in previous generations. The media often retells stories of young, college educated Americans moving back with their parents, unable to launch successfully into financial independence (Goodman 2015; Levitz 2015; Stahl 2015). This is important because young people are accruing historically high amounts of student debt as the economy is tightening and providing the fewest jobs in years.

A second reason why this student debt crisis is even more dangerous than it seems is because it is difficult to jettison. Recently, student loan companies fought so that student debt will not qualify under Chapter 11 bankruptcy rules (Williams 2008). In other words, even when admitting the inability to pay, student debt must still be repaid. This hurts a generation already especially burdened by a slow economy. In addition, it guarantees that many young people carry large amounts of debt long into adulthood and perhaps even into retirement. Though there exist some programs to reduce this burden, it will not impact the majority of young Americans with student debt. Young Americans are not only accruing high amounts of student debt, but even when facing financial hardship, they are not allowed relief even under the extreme case of bankruptcy.

Thirdly, the student debt crisis is occurring at the same time when diversity is increasing on college campuses. It was not long ago when women, racial minorities, and working class Americans had limited access higher education. Civil rights, feminism, and a greater consciousness of the working class made it possible for more women compared to men to attend college (Lopez and Gonzalez-Barrera 2014). In 2011, for the first time in history, Latina/o college enrollment outpaced that of Whites (Fry and Taylor 2013) and the establishment of the historical G. I. Bill and Pell Grant helped buoy working class Americans into an otherwise elusive middle class, allowing for the purchase of homes and greater access to consumer goods. However, for all this progress, public policy has drastically cut governmental aid to higher education so that the onus is now on the individual to fund their way through college.

This change reflects a shift in perspective on a greater level. While many as contributing to the common good saw the pursuit of a degree in higher education, higher education today is understood more as personal improvement. As such, it ought to be obtained at one's own cost. Though this change occurred gradually, it is particularly evident in federal funding over the latter part of the 20th century. While Pell and other grants helped many Americans pay for college in years past, recent government cuts to such programs compel today's college students to rely on loans in order to afford college. One can readily see how this will disproportionately affect those who just recently began to enroll in college in larger numbers than before: students of color, especially Black and Latina/o students as well as those coming from working class and poor backgrounds.

This shift in public policy and federal funding is made worse because the Great Recession severely eroded what little wealth Black and Latina/o families possessed (Kochhar, Fry, and Taylor 2011; Shapiro, Meschede, and Osoro 2013). During the Recession of 2007 to 2009, Black families saw 53% of their wealth vanish while

Latina/os lost an astounding 66% (Kochhar, Fry, and Taylor 2011). Though even White families were negatively impacted by the recession, in 2009, their median wealth was $113,149, compared to Latina/o families' $6,325 and Black families' $5,677 (Shapiro, et. al 2013). Therefore, not only are many Black and Latina/o families unable to contribute to their children's college education as much as they would like, young people coming from these same families are the most likely to need to rely on student and loans. In addition, Black millennials are the ones accruing the most debt. This multilayered, accumulated disadvantage contradicts some of the current post-racial rhetoric so often embraced both in politics and in the media[8]. Though many Americans, especially Whites, are tired of engaging in discourse about race, these empirical realities will not disappear if ignored (DiAngelo 2011).

The accumulation of this debt coupled with its unique perniciousness ought to be cause for concern for scholars and policy makers alike. Recently, scholars have called on the image of colonial indenture in order to make sense of the current student debt crisis (Williams 2006, 2008; Blacker 2013). Colonial indenture often entailed an exploitative labor system replete with abuse, minimal governmental intervention or regulation, and little legal recourse for workers (Williams 2006). As outlined above, student debtors are subject to creditors who at times mislead and omit important notification of options that might be of help. And ultimately, debtors are unable to jettison debt regardless of the direness of their financial circumstances. Like the two-thirds of colonial indentured servants who died before paying back their debt, student debtors must bear their burden long into their adulthood (Williams 2006; Blacker 2013).

[8] Speri, Alice. "Half of America thinks we live in a post-racial society – the other half, not so much." Vice News https://news.vice.com/article/half-of-america-thinks-we-live-in-a-post-racial-society-the-other-half-not-so-much 9 December 2014

Debt and Wealth

The passage of the Bankruptcy Abuse Prevention and Consumer Protection Act insures that one could not discharge student debt if filing for bankruptcy. This has the potential to trap struggling debtors under the weight of excessive student with little hope for relief. Debt and wealth are different sides of the same coin. Scholars have proposed that the lack of debt can, in effect, function as a sort of wealth (Shapiro 2005). Thus, the majority of millennials graduating with college debt are set up for a challenging adulthood. It is important for future studies to follow the life course of this generation to assess to what extent student debt hampers their ability to accomplish previous generations' adulthood milestones such as marriage, childbearing, the ability to purchase a home, and retirement planning.

Wealth is more durable and more indicative of one's financial well-being than is income because income can disappear instantly such as with a lay-off or career-ending illness. Wealth, whether in the form of homeownership or stocks, can help allay financial hardship in the long run (Oliver and Shapiro 1998; Conley 1999; Shapiro 2005). Black and Latina/o families possess just a fraction of White median wealth. Thus, Black and Latina/o millennials are dealing with is an accumulation of disadvantage because they belong to a generation unduly burdened with large amounts of student debt and most of them are unable to turn to parental wealth to help relieve them of this financial hardship. Parental help is more necessary today than ever because of the significant increase in tuition costs. Black women might be particularly vulnerable to student debt because they attend college at considerably larger rates than Black men (Roach 2001). This means that Black and Latina/o millennials, with their relatively little

parental wealth and their higher amounts of student debt, will have a harder time paying off their student loans than many of their White counterparts.

CONTRIBUTION

This paper incorporates respondents' reliance on student loans in order to afford college. By doing so, it helps provide a clearer, more accurate assessment of financial well-being. Millennials are unique because they have had to borrow for college at higher rates than previous generations of college goers had in the past. This study provides an important addition to the literature by helping elucidate, within this cohort of millennials, who is the most disadvantaged in terms of reliance on loans in order to pay for college. Knowing this will have key policy implications that will help mitigate this disadvantage.

DATA AND METHODS

This study uses data from the Educational Longitudinal Study of 2002 (ELS: 2002) survey instrument that developed by the National Center for Education Statistics (NCES). The ELS: 2002 is the fourth in a series of longitudinal studies. There are four waves beginning in 2002, when respondents were in 10th grade; 2004 when most were in seniors in high school; 2006 when many were in college; and 2012, four years after many participants graduated college. NCES refreshed the sample in order to keep the survey nationally representative. It originally contained over 15,000 respondents and their parents. However, because college graduates compose the population of interest in this study, the final sample size is 7,665. In addition, respondents who took longer than four

years to graduate were also excluded since the purpose of this study is to examine the labor market outcomes of participants four years after graduating.

The data set is useful because it is nationally representative of millennials, the target generation for this study. Additionally, it is multi-level because it contains responses from high school principals, mathematics and English teachers, as well as other school administrators and staff along with students and their parents. The ELS: 2002 first selected schools and then chose a random sample of students within each school. Catholic and other private high schools, as well as Asians were sampled at higher rates in order to help analysts make comparisons among these groups. The first wave of data also contains students' scores in mathematics and English cognitive tests.

The third follow-up, in 2006, included all the respondents in the first two waves. Many of the students were in their second year of college while other dropped out or did not enroll in college at all. The ELS: 2002 administered this survey via a web-based self-administered interview, computer-assisted telephone interview or a computer-assisted personal interview.

The fourth and most recent follow-up occurred in 2012, four years after many respondents graduated college. This particular study only includes those who graduated college by this time. Though it meant that an important number of respondents were not included, it allowed me to assess the labor market participation of college graduates, the primary focus of this study. The survey contains college transcript information as well as post-college outcomes like occupational, marital, and parental status. I used multiple imputation in order to deal with the missing data because of its improved accuracy compared to listwise deletion (Von Hippel 2007; Allison 2001; Charles, Kramer, Torres, and Brunn-Bevel 2015).

Analytic Strategy

In order to examine the factors that influence college-educated millennial student debt four years after graduating, I conducted a logistic regression and run five step-wise models where I incorporated various sets of independent variables. The first model contains a combined race and generational status variable. Because there were so few first and second generation Whites, I only kept White respondents who were third generation and beyond (i.e. respondent and parent both born in the United States); this was the reference category. For Latina/o, Black, and Asian respondents, I combined second and third generation to create one native-born category. In the second model, I included gender.

Model 3 takes into account the background characteristics socioeconomic status and parental wealth. The ELS: 2002 measured SES by using the Duncan Index. It creates a composite score using parental education, occupation, and income. To protect respondents' privacy, the public file of the ELS broke the Duncan scores into quartiles. To supplement this SES measure, I included a measure of parental wealth in the way of investments in stocks or real estate. This is essential because past research has shown the significance of parental wealth. Both variables take into account student responses during high school.

In model 4, I included educational characteristics: last college of attendance type and selectivity and cumulative college grade point average (GPA). Colleges vary widely in the United States in cost and quality. I created a combined variable that combines a measure of these two characteristics. Therefore, this model contains three categories:

non-selective, public, four-year university (reference category); selective, private, four-year college or university (includes highly selective institutions such as Swarthmore College), and selective, public, four-year universities (i.e. University of California at Berkeley). Because of small numbers, I dropped for-profit universities. They have attracted much attention in recent years and much of the findings suggest these types of institutions are negatively associated with post-college outcomes. However, too few respondents graduated from these types of colleges. To determine if an institution was deemed highly selective, ELS relied on the Integrated Postsecondary Education Data System (IPEDS) variable Carnegie Classification 2010: Undergraduate Profile. These institutions include those whose first-year student test scores place them in the top fifth of four-year colleges. College grade point average is used as a continuous variable on a scale from 1.00 to 4.00.

Lastly, model five takes into account financial aid variables. Financial aid is more important for this generation of college goers because of the fast-rising cost of college. AS mentioned above, there has been a transition of responsibility of these costs. After World War II, the federal government decided to help provide large subsidies for returning veterans. This, in part, help create a middle class. However, as deindustrialization took h old, and the college campus became increasingly racially diverse, the federal government no longer funds young people's college education with the same enthusiasm. Specifically, those without the financial means must increasingly rely on student loans in order to attend college. While related to SES, financial aid is something different. For example, not all lower SES respondents qualify for Pell grants. Likewise, SES does not make it clear whose parents can help pay for college. There are three financial aid variables in this model: a dummy variable whether or not college was paid by parents' contributions (no amount specified), whether or not the respondent

received a Pell grant (usually goes to low income students), and whether or not they participated in Federal Work Study. This is a partnership usually between college workplaces and the federal government.

The dependent variable of interest in this chapter is a dummy variable: whether or not the respondent took out a postsecondary education loan in order to fund their college education. Those who answered this question with "yes" were coded 1; everyone else was coded 0.

RESULTS

Descriptive Results

Demographic and socioeconomic indicators

Table 2.1 contains the summary statistics for the ELS: 2002 sample used in this study. The first table, Table 2.1 show descriptive statistics for the family background characteristics by race. Among the 6,692 respondents who graduated college by 2008, nearly three-fifths (58.41%) were White, 13% Latina/o, 15% Black, and 14% were Asian. Women were overrepresented overall and among all racial groups. About 56% of the entire sample in this study were female; this was about the same for Whites (54.78%) and Asians (53.57%). However, females were even more overrepresented among Latina/os (58.43%) and Blacks (59.82%). Because there were so few, I decided to drop the foreign-born Whites in the sample. Of all the various racial and ethnic groups, the percentage of foreign-born respondents was highest among Asians; nearly half of all Asians in this study (48.92%) were born outside the United States. There was also a

relatively large percentage of foreign-born Latina/os since nearly a quarter (24.31%) were born in places outside the US. Though much smaller, there was a fair percentage of foreign-born Blacks which include those born in the English-speaking Caribbean as well as parts of Africa; this group made up nearly 10% (9.71) of Black respondents.

TABLE 2.1 ABOUT HERE

To assess respondents' socioeconomic status, I included two variables: the 1961 Duncan SES Index – a composite score that takes into account parental education, income, and occupation – and parental wealth as measured by investments in stocks or real estate. Because the Duncan Index numbers make little sense alone and because these figures were deemed too confidential to include in public data files, I include an ELS categorical variable that breaks up the SES index scores into quartiles. Over 40% (41.94) of college educated White millennials were in the highest SES quartile. This figure is lower for Asians, of whom less than 35% (34.52) are in this same quartile. A much smaller percentage of Blacks and Latina/os are in the highest SES quartile: Just over one-fifth (22.05%) of Blacks and an even smaller percentage (19.64%) of Latina/os come from these high SES families. Likewise, respondents of color were overrepresented in the lowest SES quartile. Over a third (33.10%) of Latina/os came from the lowest SES families. In addition, almost one-third of Asian (28.74%) and about one quarter of Black (24.75%) respondents also came from the lowest SES families.

I included wealth because it is a vital indicator of socioeconomic status and it is not included in the more traditional Duncan SES Index. The ELS: 2002 measured parental wealth by asking respondents in high school if their parents had ever invested in either stocks or real estate. Of the respondents in this study – those who completed a four-year college degree within four years – roughly three fifths of Whites had parents

who possessed wealth (59.86%). Asian and Latina/o respondents followed with about 45% of them reporting parental wealth (45.62% and 45.07%, respectively). Blacks trailed all others; just 40% of them said their parents possessed any wealth. Together, these indicators show that White millennials are the most socioeconomically advantaged followed by Asians. There is a clear demarcation between Whites and Asians and their Latina/o and Black peers.

When millennials formed their own families by 2011, over half of Whites (52.53%) and about 45% of Latina/os (45.13) were either married or cohabitating. Asians and Blacks trailed far behind at 31.96% and 31.86%, respectively. Blacks and Latina/os were the most likely to be parents (39.44% and 32.22%, respectively). Less than one-quarter (23.28%) of Whites reported bearing children by 2011 while Asians – at less than 10% - were the least likely to do so. Marriage and cohabitation have often been indicators of family stability and higher socioeconomic status while childbearing has proved detrimental for many women in the labor market.

Educational indicators

There exists a wide variation of college selectivity attendance by millennials in this study. Over three-fifths of Asian respondents graduated from non-selective public universities (61.14%). Over half of Latina/os (56.45%) and Whites (54.71%) in this sample graduated from these types of postsecondary institutions. Proportionally fewer Black millennials graduated from these types of selective schools, at about 40%. Almost a third of Whites and Asians graduated from selective public institutions like UCLA and UC Berkeley (29.91% and 28.94%, respectively). Nearly a quarter (24.61%) of Black respondents graduated from selective public schools while less than a fifth (18.58%) of

Latina/os did so. Black and Latina/o college graduates of highly selective, private colleges and universities, however, are overrepresented in this sample. Nearly one-third (28.42%) of Blacks and almost one-quarter (24.97%) of Latina/os graduated from these types of prestigious institutions. Only about 15% of Whites and less than 10% of Asians did so.

Mean cumulative college grade point averages normally range from 0.0 to 4.0; the respondents in this sample averaged a total of 2.75 GPA, with Asians possessing the highest mean GPA (2.89), followed by Whites (2.87), Latina/os (2.51), and Blacks (2.28). Like with SES, there appears a clear bifurcation with Asians and Whites possessing greater academic advantage over Latina/os and Blacks.

Financial aid

The types and amount of financial aid prove an important factor in determining college goers' need to accumulate debt. As such, I included several forms of financial aid: whether or not tuition was paid by family contributions (regardless of amount), whether or not the respondent's tuition was paid, at least in part, by Pell grants, and, finally, whether college tuition was paid, at least in part, by Federal Work Study. The first form of aid is most common among the most advantaged respondents while the latter two benefit poor and working class college goers. More than three-fifths of Asian (62.38%) and White (61.57%) respondents reported having their parents contribute toward their college tuition. Like with some previous indicators, Latina/os and Blacks lag far behind in terms of parental contributions toward tuition. Fewer than half (48.77%) of Latina/o and Black (43.66%) said their families could help pay for the cost of

college tuition. Fewer than half of Latina/os' and Blacks' parents were able to help them afford college.

A vast majority of millennials of color, however, did receive Pell grants. Over 70% of Asians received some Pell grant aid while more than three-quarters (77.87%) and 85% of Black millennials benefitted from Pell grants. A large but significantly smaller percentage of Whites – 53.10% - received this same type of financial aid. Lastly, a similar pattern emerges among Federal Work Study participants. Respondents of color were more likely than Whites to report that work study helped contribute toward college tuition costs. Roughly 15% of Asians and Latina/os (14.99% and 14.37%, respectively) received work study while closer to one-fifth of Black millennials did so (17.53%). Again, a relatively smaller percentage of Whites reported receiving this type of aid (11.01%).

The majority of all respondents reported needing to take on student debt in order to pay for college, however, Latina/os, and especially Blacks did so at significantly higher percentages. Less than 60% of Asians and Whites took out student loans (58.17% and 57.79%, respectively). However, nearly two-thirds (65.82%) of Latina/os and roughly 80% (78.13) of Blacks needed to take on student debt. The mean amount of debt also varied across racial groups. In this instance, Asians and Whites took on the greatest amount of debt while Blacks and Latina/os took on the least. Asians borrowed, on average, nearly $45,000 in student debt while Whites took on about $38,000. Blacks follow with an average accumulation of $32,000 and, finally, Latina/os borrow an average of $30,000.

Multivariate Results

Though a growing reliance on student loans in order to afford college is a fact of life for the large majority of young people today, it is of particular concern for some subgroups of millennials than others. Overall, the analyses show that accumulating debt is of special concern for native-born Blacks, women, and low SES millennials. Furthermore, low SES is measured in various ways so as to capture some of the complexity engendered by that term. Specifically, the ELS contains a variable that includes various economic indicators including parents' income, education, and occupation when respondents were in 10th grade. In addition, I included financial aid variables that lend greater clarity to college goers' financial situation. I included a variable that shows whether or not parents were able to contribute to college tuition, whether or not they received a Pell grant, and whether or not they participated in Federal Work Study. The last two are forms of financial aid that largely benefit poor and working class students. I differentiate between these various indicators of socioeconomic status because the latter set are specific to college goers. In addition, it is important to note that low SES lacks specificity when discussing financial aid. For example, below I show that not all students whose families place them in the three quartiles below the highest SES respondents appear to need to borrow for college equally. Likewise, Pell grants and work study might apply to some low SES respondents but not others. Thus, I elected to include various SES indicators.

Compared to native-born Whites, native-born Black millennials have 2.33 times the odds of needing to take out a loan for college (Table 2.4, $p < 0.01$). When model 2 took into account sex, the results show that women have 19% higher odds than men of taking out a loan ($p < 0.01$). In this model, however, native-born Blacks borrow more than two times the rate of Whites (2.31, $p < 0.01$). The first two models show that both

women and especially native-born Blacks rely much more heavily on college loans to pay for college than their counterparts.

TABLE 2.2 ABOUT HERE

Low socioeconomic status is also linked with an increased likelihood in taking on student debt. Model 3 shows that respondents whose families placed them in the lowest SES quartile were 49% more likely to take out a student loan in order to pay for college, when compared to their highest SES quartile peers (1.49, $p < 0.01$). Those in the second lowest SES quartile had even higher odds of borrowing – 68% - than highest SES quartile respondents at taking out a loan ($p < 0.01$). Those millennials whose families were in the third quartile were also more vulnerable to student debt because they had 47% higher odds of taking out a loan compared to the highest SES respondents ($p < 0.01$). Respondents whose parents possessed wealth, as measured by ELS in stocks or real estate, were 39% less likely to borrow for college (0.61, $p < 0.01$). It is important to note that even after controlling for socioeconomic status, including parental wealth, native-born Blacks were still nearly twice as likely as native-born Whites to take out a loan in order to pay for college (1.91, $p < 0.01$). In this model, foreign-born Asians had 17% lower odds than native-born Whites to borrow for college. Lastly, this model showed women still had 16% higher odds than men of taking on student debt ($p < 0.01$).

Because of the great variation among postsecondary institutions in the United States, it is essential to take educational characteristics into account when assessing who relies more on student loans. Model 4 does this by including covariates that measure college type and selectivity as well as cumulative undergraduate grade point average. As expected, college type and selectivity are strongly associated with the need to take out a college loan. Specifically, those millennials who attended selective colleges and universities were more likely to take out a loan when compared to those who attended a

nonselective public university; respondents attending a selective public institution had 26% higher odds of taking out a loan ($p < 0.01$) while those who went to a selective private college or university had 75% higher odds of needing to take out a college loan ($p < 0.01$). In this model, college GPA was not associated with a greater likelihood of borrowing for college.

In part because of the steady rise in college tuition over the last few decades, financial aid is important to more young people than ever before. Because of this, model 5 takes into account its role in affecting millennials' need to borrow for college. Specifically, model 5 includes a variable that measures whether or not parents were able to contribute financially toward their college tuition. Millennials whose parents were able to help pay for college had 39% lower odds of borrowing than those whose parents were unable to do so ($p < 0.01$). Pell grant recipients, usually those from low income families, were 45% less likely to borrow for college (0.55, $p < 0.01$). However, those respondents who participated in Federal Work Study, another form of financial aid, were almost four times more likely than non-work study participants to take out a student loan (3.88, $p < 0.01$). This suggests that different types of financial aid affect college students' need to borrow in various ways.

Model 5 also suggests that holding financial aid factors constant, however, did not render the association between being a native-born Black millennial and a higher likelihood of needing to borrow for school. In fact, native-born Blacks had 92% higher odds of borrowing when compared to native-born Whites ($p < 0.01$). Being female was also still associated with greater odds – 15% higher odds- of borrowing than their male counterparts ($p < 0.05$). Likewise, the link between lower SES and needing to borrow for college remained. Respondents whose families were in the lowest SES quartile had 75% higher odds of borrowing than their highest SES quartile peers ($p < 0.01$). Second SES

quartile respondents had 86% higher odds and third SES quartile respondents had 63% higher odds of borrowing than their peers at the highest SES quartile ($p < 0.01$). Those whose parents possessed wealth in the way of stocks or real estate, were 41% less likely to borrow (0.59, $p < 0.01$). College type and selectivity continued to matter in model 5. Selective public university goers were 20% more likely to borrow for college than their nonselective pubic university-attending peers ($p < 0.05$). Selective private college attendees had even higher odds – 48% - of needing to take on student debt in order to afford college ($p < 0.01$).

DISCUSSION AND CONCLUSION

Student debt plagues college educated millennials especially native-born Blacks, those who come from poor and working class families, and women. After holding constant background, academic, and financial aid factors, there were respondents who needed to borrow in order to afford college. Across all models, native-born Black millennials are more likely to accumulate student debt, compared to their White counterparts. This is particularly problematic for this group of young people because past literature and recent reports show that African Americans possess significantly less wealth than Whites. Moreover, the Great Recession of 2008 decimated the little wealth African American families did have. Ultimately, future studies will need to assess the extent to which this overreliance on student loans hurts Black millennial life course events such as marriage and cohabitation, childbearing, the ability to purchase a home, and wealth accumulation for themselves. If student debt is indeed harmful for this

generation of Blacks, it might provide further evidence of the non-durability of Black socioeconomic advantage.

Low socioeconomic status was also associated with a greater likelihood of borrowing for college. Respondents whose families placed in every quartile below the top one, needed to rely more on loans. Interestingly, a linear relationship was not found. Respondents whose families placed them on the lowest SES quartile, were not the most likely to borrow. Rather, those at the second lowest quartile. Presumably, those at the very bottom the SES scale likely qualified for aid aimed at low income families like the Pell grant. However, second quartile SES respondents also struggle economically. Their greater reliance on student loans compounds the burden for these respondents from low income families since they are likely the least able to help their children repay the loans once they graduate from college. Though more work will need to be done, this finding suggests that perhaps the financial aid funding low income students receive is insufficient to help make college affordable. Current income guidelines might not be sufficient to protect low SES college goers from student debt. This is, again, particularly problematic because their families are likely ill-equipped to help them pay back their debt as young people become established in the labor market.

While it appears that receiving Pell grants lower the likelihood of borrowing for college, work study participants are nearly four times more likely to take out a loan compared to their non-participant peers. It is important to note that loans disadvantage the young person doubly: first, while they attend college as many will take on work responsibilities to pay back the loans and then, upon graduation, the families from which they hail are unable to assist in their repayment. Despite the governmental disinvestment in higher education, especially on the state level, it is imperative to bolster

all low SES students' aid packages with grants rather than loans. Increasing tuition and a greater reliance on student debt hurts the most socioeconomically vulnerable young people, a group which is already underrepresented in colleges and universities across the nation.

This sentiment is further reinforced by the effect parental contributions have to the likelihood of needing to take out a college loan. Those respondents fortunate enough to come from families who can help pay for college have much lower odds of relying on student loans than those who have parents who cannot help defray college costs. Though this study does not focus on this, respondents' whose parents can help pay for college provide not only financial relief but, likely, mental and emotional relief as well. These advantaged young people might be better able to focus on developing their academic careers and even taking on non-paid internships that grow their skills and prepare them for careers after college. The benefits extend far beyond protecting them from student debt.

Also notable in this paper's results was the persistence of women's need to borrow for college. Women's higher odds of needing to borrow remained relatively consistent in each model, when compared to their male counterparts. Covariates like SES, college type and selectivity, and financial aid were unable to account for the statistically significant difference between male and female likelihood of borrowing for college. More work will need to be done in order to understand why women have higher odds of borrowing.

Together, these findings show that college debt disproportionately impacts some of the most disadvantaged young people including Black and low income millennials. Though more research needs to be done in order to understand the long-term impact of

this type of debt, it is clear that, at least upon graduation, these groups of millennials are on precarious terrain as they need to balance finding secure employment and loan repayment without the help of their families' financial assistance. Future scholarship will tell if and to what extent this will cause them lasting harm.

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Table 2.1 **Summary Statistics, Sociodemographic Background Characteristics, by Race**

	White	Latina/o	Black	Asian	Total
Demographic Characteristics					
Race	58.41	13.16	14.88	13.54	100.00
Female	54.78	58.43	59.82	53.57	55.84
Generational status					
Foreign-born	0.00	24.31	9.71	48.92	10.94
Native-born	100.00	75.69	90.29	51.08	89.06
Family of Origin Socioeconomic Status					
1961 Duncan SES Index score					
Highest quartile	41.94	19.64	22.05	34.52	35.04
Third	27.92	21.64	25.19	20.83	25.72
Second	19.90	25.63	28.01	15.91	21.32
Lowest	10.24	33.10	24.75	28.74	17.91
Parental Wealth	59.86	45.07	40.09	45.62	53.95
Respondent's Family Structure					
Married/cohabitating	52.53	45.13	31.86	31.96	45.7
Biological children	23.28	32.22	39.44	9.75	25.03
Educational Characteristics					
College Type and Selectivity					
Public, non-selective college	54.71	56.45	46.97	61.14	54.66
Public, selective college	29.91	18.58	24.61	28.94	27.5
Private, selective college	15.38	24.97	28.42	9.91	17.84
Cumulative College GPA (mean)	2.87	2.51	2.28	2.89	2.75

Table 2.1 (Continued)

	White	Latina/o	Black	Asian	Total
Financial Aid					
Parents contributed toward college tuition	61.57	48.77	43.66	62.38	58.02
Pell grant	53.10	77.87	84.07	72.32	62.23
Work study	11.01	14.37	17.53	14.99	12.70
Respondent took loans to pay for college	57.79	65.82	78.13	58.17	61.23
Mean loan amount (in 2011 US dollars)	38,310.95	29,830.16	32,448.42	44,697.77	41,368.69
Total N					**6,692**

Source: Education Longitudinal Study of 2002 (ELS: 2002)

Parental wealth includes investments in stocks or real estate

Table 2.2 ***Background, Education, Financial Aid Factors Influencing Likelihood of Taking Out Student Loan: Logistic Regression, Odds Ratios***

		Model 1			Model 2			Model 3			Model 4			Model 5		
		OR		SE	OR		SE	OR		SE	OR		SE	OR		SE
Background Characteristics																
Race and Gen Status (ref = Wh, native born)																
	Lat NB	1.13		0.15	1.13		0.15	0.99		0.13	0.99		0.13	1.03		0.15
	Lat FB	1.22		0.16	1.21		0.16	0.97		0.13	0.96		0.13	0.99		0.14
	Bl NB	2.33	***	0.27	2.31	***	0.26	1.91	***	0.23	1.93	***	0.24	1.92	***	0.24
	Bl FB	1.42		0.32	1.43		0.32	1.25		0.29	1.18		0.28	1.27		0.32
	Asn NB	0.87		0.24	0.87		0.24	0.86		0.24	0.84		0.23	0.81		0.23
	Asn FB	0.95		0.09	0.96		0.09	0.83	*	0.08	0.81	**	0.08	0.87		0.09
Female					1.19	***	0.06	1.16	***	0.06	1.15	**	0.06	1.15	**	0.07
SES (ref = Highest quartile)	3rd quartile							1.47	***	0.10	1.55	***	0.11	1.63	***	0.12
	2nd quartile							1.68	***	0.14	1.84	***	0.16	1.86	***	0.17
	Lowest quartile							1.49	***	0.15	1.65	***	0.17	1.75	***	0.19
Parental wealth (invested in stocks or								0.61	***	0.05	0.58		***	0.59	***	0.05

real estate)							
Educational Characteristics							
Coll type and selectivity (ref = not sel, 4 yr, pub, NFP)	S, priv, 4 yr, NFP	1.75	***	0.14	1.48	***	0.12
	S, pub, 4 yr, NFP	1.26	***	0.09	1.20	**	0.09
GPA		0.97		0.04	0.90	**	0.04

Table 2.2 (*Continued)*

	Model 1		Model 2		Model 3		Model 4		Model 5	
	OR	SE	OR	SE	OR	SE	OR	SE	OR	SE
Financial Aid										
College paid by parents' contributions									0.61 ***	0.04
Pell grant									0.55 ***	0.06
Work study									3.88 ***	0.46
Constant	1.84 ***		1.68 ***		1.88 ***		1.60 ***		3.39 ***	
r^2	0.010		0.012		0.038		0.035		0.090	
N	6,692		6,692		6,692		6,692		6,692	

*p < 0.1; **p < 0.05;
***p < 0.01

Chapter 3

Racialization and the Motherhood Penalty: What is Driving the Earnings Gap for College Educated Latina/os, Asians, and Women?

INTRODUCTION

Higher education has historically played an important role in mitigating inequality for Americans from lower socioeconomic backgrounds, which includes a disproportionate number of Blacks and Latinos. This has also been particularly true for children of poor immigrants. Education has so highly been extolled by scholars and lay people alike that it is often dubbed "the great equalizer," a panacea to various forms of inequality (Growe and Montgomery 2003; Downey, von Hippel, and Broh 2004; Marina and Holmes 2009; Torche 2011; Holmes and Zajacova 2014). However, studies have long chronicled education's limits. Bourdieu focused on the ways in which education replicates rather than diminishes inequality (Bourdieu and Passeron 1990; Lareau 2001). Others have provided important caveats to education's ability to boost one's career prospects (Rivera 2011; 2012). Ultimately, education has an imperfect ability to help some and not others. Using post-college earnings, this chapter seeks to understand how a college education helps some millennials but fails others.

Earnings are one of the most easily discernible indicators of economic well-being. Wages have remained stagnant from 1973 to the present day, a harbinger of bad news for

the American worker[9]. However, lowered productivity is not at fault. In recent years, the news media have reported on the poor financial prospects for millennials because of a weak economy that has been made worse by the Great Recession of 2008. This has occurred at the same time that millennials, especially those of color, are pursuing college degrees at record rates[10]. However, much of the existing scholarly literature on this topic has focused on older and lower-skilled generations. This chapter seeks to fill this gap by investigating the earnings of college-educated millennials, those born after 1980, four years after graduating college.

Despite a recovering economy, reports indicate that many have yet to feel relief. First, this most recent recovery has occurred at a much slower pace than previous recessions (Walden 2014). Second, there has been growth during this period in underemployment, youth unemployment, and in the percentage of the working poor (Chowdhury, Islam, and Lee 2013). Those who were poor prior to the Great Recession became even more impoverished after improvements in the economy (Pilkauskas, Currie, and Garfinkel 2012). Lastly, wages have continued to stagnate for most workers (Baker 2014).

The relationship between high educational attainment and diminishing employment prospects may contribute to record high student debt. Scholars argue that previous generations also experienced difficulty transitioning from college to full-time work, this current generation of millennials is struggling with far higher rates of underemployment (Abel, Deitz, and Su 2014). In addition, the jobs that many college-

[9] Covert, Bryce. "Wages have been stagnant for 40 years but it's not the fault of the American workers," http://thinkprogress.org/economy/2015/09/02/3697832/epi-wages-productivity/ 2 September 2015

[10] Lopez, Mark Hugo and Richard Fry. "Among recent high school grads, Hispanic college enrollment rate surpasses that of whites," http://www.pewresearch.org/fact-tank/2013/09/04/hispanic-college-enrollment-rate-surpasses-whites-for-the-first-time/ 4 September 2013

educated millennials are working pay less and are of lower quality than those of previous generations (Abel, et al. 2014). Other scholars have found that college degrees yield employment benefits insofar as graduates find employment in college labor market (CLM) occupations like professional, technical, and managerial positions (Fogg and Harington 2011). Therefore, this chapter investigates the employment earnings of millennials, four years after college graduation. Because women, especially women of color, have struggled with lower wages than their male and White counterparts, this chapter will disaggregate results by both race and gender. Previous research has shown that women of color, in particular Black and Latina women, suffer from depressed earnings. This chapter sets out to learn if this is still true for college-educated millennial women after taking into account a variety of background, academic achievement, and post-college factors.

PREVIOUS EMPIRICAL RESEARCH

Race and Earnings

People of color, especially Blacks and Latinos, have historically suffered from lower earnings than their White counterparts because of various structural inequalities (McCall 2001). Education largely explains the Latino-White earnings gap though racial discrimination still accounted for 40% of this gap (Jongsung 2002). Jongsung (2002) used a 1976 survey, to conclude that receiving a high school diploma helped respondents from several Latino subgroups, namely Puerto Ricans and Mexicans, while other Latinos needed a college degree to see an increase in earnings (Neidert and Tienda 1984). This is important to note because it highlights how nativity affects labor market outcomes for

the various Latino subgroups. However, these studies relied on non-college graduates. Though this study cannot disaggregate the various Latino subgroups because of small cell sizes, it focuses on those with college degrees. This is important because this generation of Latino college-goers is larger than it has ever been before (Pew Research 2013). It is important to assess to what extent a college degree is beneficial to this group of Latinos.

Earnings improved for nearly all Americans especially Native Americans, Asians, Blacks, and Whites between 1959 and 1969 (Sandefur and Pahari 1989). Economic growth during this decade helped limit the vast earnings discrepancies that had existed historically (Sandefur and Pahari 1989). Despite these changes, these same groups experienced a decrease in earnings the next decade, between 1969-1979 because of the time period's inflation and recession (Sandefur and Pahari 1989). The differences among the racial groups decreased in both time periods with those who were college-educated experiencing the greatest narrowing of the racial gap (Sandefur and Pahari 1989). Similarly, an increase in earnings among Black men were reported between 1964 and 1985. This was because of affirmative action policies and a tightening labor market (Vroman 1990). Affirmative action played a significant role because it held employers accountable for racial discrimination. However, despite these policy efforts, White men received higher returns for human capital than did their Black and Mexican American counterparts (Skinner 2002; Verdugo 1992). Though the earnings gap narrowed between 1972 and 1987, it persisted. In addition, the cost of being Black was greater than that of being of Mexican origin (Verdugo 1992). Similarly, employment instability hurt Mexican workers more than it did White workers (De Anda 1998).

Historically, possessing a college degree has not been completely protective of workers of color. Discrimination in the labor market has led Black college-educated men

consistently earned the least while White college-educated men earned the most (Kim 2015). Overeducated workers received fewer returns to their education than either undereducated or adequately educated workers (Verdugo and Verdugo 1988). In the 1990s, Blacks experienced a growing pay gap in white-collar management and technical occupations (Darity and Myers 2001). The racial gap narrowed for high school graduates even as it grew among college-educated men (Kronberg 2014). Though self-employment is often perceived as a boon for both individuals and their community, self-employed Blacks earned less than self-employed Asians (Boyd 1991). The author attributes this to lower human capital among Black entrepreneurs when compared to their Asian counterparts (Boyd 1991). The study also suggests that the size of the Black community has a positive effect on the earnings of self-employed African Americans (Boyd 1991).

Workers of color have historically benefitted from federal employment and have been harmed, at times, by competition from increased immigration. Public sector jobs have been more equitable and thus have produced smaller differences in earnings between Whites and Blacks (Greene and Rogers 1994). Similarly, conclusions about the importance of government work for Blacks in the 1980s and 1990 suggests that racial inequality increased in federal government jobs after this period (Zipp 1994). The male Black-White earnings gap increased between 1980 and 1990 (Zipp 1994). Zipp (1994) found that Black female federal workers earned $2,500 less than their White counterparts while Black men earned $9,400 less than White men (Zipp 1994). Other research suggests that the Black – White earnings gap is intrinsically linked with the even larger wealth gap (Morillas 2007). Ultimately, the earnings difference between Whites and people of color is a result of the cumulative effect of discrimination over the life course (Thomas, Herring, and Horton 1994).

Disproportionate levels of incarceration exacerbate the labor market for disadvantage workers of color face. Black men are vastly overrepresented in prisons despite not having been a significant increase in their criminal involvement (Beckett et al. 2006; Blumstein & Beck 2005; Western 2006; Zimring & Hawkins 1993; Wakefield and Uggen 2010). This is largely related to mass incarceration and the War on Drugs initiative in the 1980s. Changes in law enforcement result in a greater shuffling of low-level, low-rate criminals into the prison system (Blumstein & Beck 1999, Pfaff 2008, Raphael & Stoll 2007; Wakefield and Uggen 2010). In addition, when former prisoners of color finally exit the criminal justice system, they are hard-pressed to find employment (Pager 2007; Burkhardt 2009).

However, previous research addressing immigration has produced mixed results. Competition and racial discrimination in the labor market led to Latino and Black workers losing the most when living and working in areas with high concentrations of Latinos and Blacks, respectively (Tienda and Lii 1987). This is especially true for college-educated people of color. One study showed that, in the 1980s, recent immigrants were highly segregated and received low pay (Catanzarite 2000). Native-born people of color, on the other hand, fared better in terms of earnings (Catanzarite 2000). Johnson sought help resolve some of the confusion when he found that Blacks are paid less in areas with large Black populations because of selection of high-earning Blacks into jobs with relatively small Black populations. Latinos are paid less in high Latino areas when living in high Latino areas during childhood. Though there are conflicting results about the effects of living and working with other co-ethnics, what remains true is that because of competition and racial discrimination in the labor market, people of color have historically suffered from lower wages when compared to Whites (Wang 2008).

Immigration and Earnings

Previous work has examined immigrants' earnings extensively and over a relatively long period of time. Varying political and economic factors have encouraged people from across Latin American and Asia to immigrate to the United States. The Hart-Cellar Act of 1965 was crucial because it allowed an even greater diversity of immigrants to come to the United States. Because of this diversity in time of arrival, amounts of human capital, and racial composition, studies have produced varying and, at times, conflicting findings about immigrants and earnings. Length of residency in the United States and human capital factors like English proficiency strongly influenced earnings for Latino immigrant workers in 1976 (Tienda 1983). Three decades later, this was still the case, especially for women (Hamilton, Goldsmith, and Darity 2008). Latino immigrant labor during this period was small, but had a positive effect on native-born Latino earnings (King, Lowell, and Bean 1986). For instance, King, Lowell, and Bean (1986) argued that the two groups of Latinos maintained a complementary rather competitive relationship in the labor market. However, Pedace (2006) suggests that native-born Latinas lost the most earnings when they live in high-immigrant areas. This is important because it highlights that much of the past literature about Latinos in the labor market have focused on more recently arrived immigrants who, disproportionately, have lower levels of human capital. The current study adds to the literature by assessing how college-educated Latinos, many of whom are native-born, fare in the current labor market.

As the nation's second largest Latino subgroup, it is important to note Puerto Rico's unique history as a free associated state. An American territory since 1898, Puerto Rico had long replenished U.S. demand for cheap labor especially in northeastern cities

including New York, Newark, and Philadelphia (Sanchez Korrol 1994). This demand intensified in the 20th century resulting in the Jones Act of 1917, making it easier for Puerto Ricans to travel freely stateside without the need for visas (Monge 1997). As a result, Puerto Ricans possess American citizenship whether born in the island or on the mainland. United States citizenship is not enough to protect Latino migrants, however. Puerto Rican women, both native- and island-born, faced discrimination in the labor market as did island-born Puerto Rican men (Torres 1992). In addition, Mexican Americans, the nation's largest Latino subgroup, have historically been concentrated in low-paying occupations (Pagan and Cardenas 1997).

Though there is great racial variation among Latinos, there is evidence for their racialization in recent decades. Sociologists have found that while assimilation would be expected of later generations of Mexican Americans, some evidence has emerged that members of the third and fourth generation have fared worse than their first and second generation counterparts, especially in the realm of educational attainment (Telles and Ortiz 2008). Though Mexican Americans do not fit neatly in the United States' racial framing of hypodescent – the so-called one drop rule- there is certainly evidence that many of their social outcomes are similar to other non-White groups, especially African Americans. In addition, historical studies have shown how resistant racial boundaries around Latinos exist when compared to previous generations of European immigrants (Fox and Guglielmo 2012). This researches challenges assumptions about assimilation and racial inclusion of non-Blacks in the United States. Latino racialization is further bolstered by the blatantly xenophobic and anti-immigrant rhetoric aimed at Latinos, regardless of nation of origin and generational status, during the 2016 presidential election cycle. The current political discourse clearly treats Latinos as a racial group unto themselves, separate from either Blacks or Whites. Persistent inequality in

earnings between Latino millennials and Whites might provide some further evidence of this racialization.

Latinos in the labor market has investigated the Immigration Reform and Control Act of 1986 (IRCA) especially affected non-Puerto Rican Latino migrants. The law legalized the presence of certain types of agricultural workers, undocumented immigrants who resided in the United States since 1982, and it sanctioned employers who knowingly hired undocumented workers[11]. IRCA negatively impacted nonagricultural Latino workers (Bansak and Raphael 2001). In addition, immigrant concentration impacts immigrants themselves. Immigrants' wages suffer when they work in "Latino ghettos," areas with large immigrant populations (Cantanzarite and Aguilera 2002). Similarly, low skill immigrants, especially men, earn less when they work in niche jobs (Liu 2011).

Women and Earnings

Women have suffered from lower earnings compared their male counterparts. Human capital factors like English proficiency improved the labor participation for married Latina women, especially those of Mexican and Puerto Rican origin (Stier and Tienda 1992). Though differences in human capital helped explain the Latina-White female pay gap among 1979 workers, it did not explain the Latina – White male pay gap (Avalos 1996). Latinas of all subgroups, including Mexicans and Puerto Ricans, earned less than their male counterparts. Again, the Latina/o – White earnings gap persisted even after controlling for human capital factors, expect for Cuban men (Torres Stone and

[11] U.S. Citizenship and Immigration Services https://www.uscis.gov/tools/glossary/immigration-reform-and-control-act-1986-irca

McQuillan 2007). However, Durden and Gaynor (1998) suggest that the pay gap persists after race differences are taken into account. This is important to note because it intensifies the debate about which effect depresses Black and Latina women's wages more. Wang (2008) found that the pay gap is actually bigger among racial groups than between men and women. For instance, Antecol and Bedard (2002) noted that Mexican and Black women earned less than White women. While education helped narrow the gap for Mexican women, it was greater labor force attachment – working longer and without interruptions – that helped Black women decrease the earnings gap between them and White women (Antecol and Bedard 2002). This current study aims to address how young women today, especially women of color, are faring in terms of earnings.

Various factors impact the narrowing of the women of color – White women earnings gap. Black women's earnings improved in the 1960s and 1970s, but they declined in the 1980s (Newsome and Dodoo 2002). Scholars attributed these to changes in family structure, migration out of cities, and occupational redistribution (Newsome and Dodoo 2002). However, after the 1980s, Black women's earnings improved somewhat as earnings volatility fell (Hardy 2012). Women's earnings varied across metropolitan regions. For example, in areas where there was more retail, education, and social service employment, women tend to earn less (Reid, Adelman, and Jaret 2007). In contrast, in areas with large immigrant populations, White and Asian women earned more (Reid, et al. 2007). Living in the South resulted in greater earnings inequality between Black and White women (Reid, et al. 2007). Lastly, nativity matters for women's earnings. Second generation Latina and Asian women achieved higher status attainment than either their mothers or their male counterparts (Park, Nawyn, and Benetsky 2015). However, the gap persisted between them and White women (Park, et al. 2015).

THEORETICAL LENS

The Racial Middle

Americans have long understood race to a dichotomy between Black and White. And yet, there is a long history of intensive and sustained contact between Americans and people of Asian and Latin American origin. Latinos, the nation's largest group of color, are here largely because of annexation and immigration. While the United States incorporated vast swaths of Mexico in the 19th century, many other Latin Americans including Cubans migrated here for political asylum and still others, like Puerto Ricans, became sources of cheap labor. Chinese, Japanese, and Filipino immigrants toiled along the West Coast for generations and others including South Asians from India, Pakistan, and Bangladesh forged expansive communities along cities in Northeast. The Hart-Cellar Act of 1965 opened the doors for still more immigrants from around the global South. American territorial expansion and the influx of immigrants from places beyond Europe has complicated the traditionally simplistic racial hierarchy.

Fitting neatly into neither Black nor White racial categories has led researchers to seek ways of understanding how and where Latinos and Asians situate themselves along the racial hierarchy. Some concluded that, together, they constitute a "racial middle," with Black and White serving as the extremes on this continuum (O'Brien 2009). While erring on the over-simplification, this theory is helpful in understanding the lived experiences of Latinos and Asians. For example, there are important ways in which these two groups share similar characteristics. Namely, O'Brien's study documents how Asians and Latinos tended to feel *othered* by Whites and Blacks (2009). Respondents'

peers often assumed them to be foreign and in many ways, less than American (2009). This echoes past research where Asians are constantly assumed to be foreign-born, despite experiencing relatively high socioeconomic backgrounds and academic achievement and saddled with the stereotype of the "model minority." This is also evident in the current political climate where Donald Trump began his run for president on a platform that promised to deport "rapist" and criminal Mexicans. His proposal to build a wall along the US-Mexico border gained great support from many.

Another aspect in which those in the racial middle are similar is in their political preferences. Specifically, Latinos and Asians overwhelmingly voted in favor of President Obama and for progressive policies in both 2008 and 2012, compared to Whites. Despite her loss, Democratic candidate Hillary Clinton enjoyed high levels of support from both these groups during her 2016 presidential campaign. Latinos' and Asians' movement toward progressive policies is partially explained by their broad characterization as dangerous. Again, the current political climate provides clear examples. Donald Trump campaigned not only on protecting Americans from criminal Latino immigrants, but also promised to reintroduce torture and create a Muslim registry where the government would be free to surveil Muslim communities throughout the country. Shortly after his election, the number of hate crimes against those perceived to be Muslim (read: dark skinned people of Arabic and South Asian descent) and immigrants (read: racially discernable Latinos) spiked. Both groups have been deemed by many, including those in the highest levels of government, as dangerous and un-American. In other words, being either Latino or Asian and American is understood as mutually exclusive.

However, there are key ways in which Latinos and Asians experience race differently. In particular, past research has shown, for example, that Latinos tend share

similarities with Blacks including living in resource-poor, racially segregated neighborhoods (Charles 2006). While, for years, Asians have tended to live in more affluent neighborhoods (Charles 2006). Though there exists high degrees of socioeconomic, geographic, and phenotypic variation among Asians, much research has shown them to be, in general, a group with high levels of educational attainment and socioeconomic status. As such, they differ significantly from many Latinos who are disproportionately of low socioeconomic status. This partly helps explain why Latinos fare similarly to Blacks in terms of segregation, educational attainment, and wealth accumulation.

While Asians and Latinos alike suffer from foreignization, Latinos are more likely to suffer the effects of what Telles calls racialization (Telles and Ortiz 2008). Latinos, because of their overrepresentation among the poor and working class, increasingly identify more with African Americans (Telles and Ortiz 2008); this is particularly so among native-born Latinos. Other research characterizes it as upward and downward assimilation, with some segments of the Latino population assimilating toward the Black end of the spectrum, while others assimilate to become more like Whites. This is largely dependent upon phenotype and class background. Because of this, Latinos tend to experience their day-to-day lives more similarly to poor Blacks than to wealthy Whites. This theoretical lens helps provide context in analyzing the earnings of college educated millennials.

Motherhood Penalty

Past studies have shown that women who are mothers suffer from an earnings penalty, while fathers do not (Correll, Benard, and Paik 2007). Fathers, unlike mothers, have shown to have an earnings advantage over childfree men while employers

consistently discriminate against mothers because they perceive them to be uncommitted and less competent workers (Correll, et al. 2007; Benard and Correll 2010). In an audit study similar to Pager's study on race and the labor market, employers overlooked the resumes of women who were mothers, despite similar credentials to nonmothers (Pager 2003; Correll, et al. 2007). These findings were true for women from both the Baby Boomer (b. after 1945) generation as well as Generation X (b. after 1965). Even after controlling for a wide variety of human capital and labor market factors, women suffered from a motherhood penalty (Budig and England 2001; Avellar and Smock 2003; Budig and Hodges 2010).

In this chapter, I use data from a younger cohort in order to examine if millennial women also pay a price for being mothers. Investigating the motherhood penalty is a crucial aspect of assessing women's equality in the labor force. If millennial women experience a motherhood penalty despite educational and employment characteristics, this shows how much more employers must do in order to ensure gender equality in the workforce.

CONTRIBUTION

An important contribution that this study makes is that it limits itself to college-educated millennials in order to understand how earnings differ for this generation that entered the labor market just as the Great Recession of 2008 began. Previous research has investigated the earnings gap between high and low SES individuals, Whites and people of color, immigrants and the native-born, and men and women. Therefore, this study continues to take into account all these background factors' impact on earnings. It is important to examine the millennial generation because they are now the nation's

largest cohort, just recently surpassing that of the post-World War II Baby Boomers. In addition, numerous studies mentioned above are restricted to non-college-educated respondents. At a time when the four-year college degree has become the most basic credential needed for many middle class jobs, it is crucial to understand to what extent this degree is helping young Americans today. This study offers an early look on how the most highly educated generation to date is faring in the job market.

In addition, the newer data the ELS: 2002 provides allows for important updates to studies that investigated how generation status and gender are related to earnings. Previous studies also relied on older generations of Latinos, many of whom were low SES, low human capital migrants. Studying Latino millennials is of particular importance since the majority of today's young Latinos are native-born and are the first generation to ever surpass White college enrollment. It is important to note how this cohort of educated, U.S. born Latinos are faring in the labor market. This is also true of millennial women. This study looks at a younger, more racially diverse cohort of college educated people.

DATA AND METHODS

This study relies on data from the Educational Longitudinal Study of 2002 (ELS: 2002) survey instrument that developed by the National Center for Education Statistics (NCES). The ELS: 2002 is the fourth in a series of longitudinal studies. There are four waves beginning in 2002, when respondents were in 10th grade; 2004 when most were in seniors in high school; 2006 when many were in college; and 2012, four years after many participants graduated college. NCES refreshed the sample in order to keep the survey nationally representative. It originally contained over 15,000 respondents and their

parents. However, because college graduates compose the population of interest in this study, the final sample size is 7,665. In addition, respondents who took longer than four years to graduate were also excluded since the purpose of this study is to examine the labor market outcomes of participants four years after graduating.

The data set is useful because it is nationally representative of millennials, the target generation for this study. Additionally, it is multi-level because it contains responses from high school principals, mathematics and English teachers, as well as other school administrators and staff along with students and their parents. The ELS: 2002 first selected schools and then chose a random sample of students within each school. Catholic and other private high schools, as well as Asians were sampled at higher rates in order to help analysts make comparisons among these groups. The first wave of data also contains students' scores in mathematics and English cognitive tests.

The third follow-up, in 2006, included all the respondents in the first two waves. Many of the students were in their second year of college while other dropped out or did not enroll in college at all. The ELS: 2002 administered this survey via a web-based self-administered interview, computer-assisted telephone interview or a computer-assisted personal interview.

The fourth and most recent follow-up occurred in 2012, four years after many respondents graduated college. This particular study only includes those who graduated college by this time. Though it meant that an important number of respondents were not included, it allowed me to assess the labor market participation of college graduates, the primary focus of this study. The survey contains college transcript information as well as post-college outcomes like occupational, marital, and parental status. I used multiple imputation in order to deal with the missing data because of its improved accuracy

compared to listwise deletion (Von Hippel 2007; Allison 2001; Charles, Kramer, Torres, and Brunn-Bevel 2015).

Analytic Strategy

In order to examine the factors that influence college-educated millennial earnings four years after graduating, I ran ordinary least square regressions (OLS), running five step-wise models where I incorporate various sets of independent variables. The first model contains only race and sex. In the second I include family backgrounds that include generational, socioeconomic, family status, and assets. Model 3 takes into account educational characteristics such as whether or not respondents ever attended a highly selective college, college cumulative grade point average (GPA). In model 4 I include the employment characteristics of occupation, and whether or not participants ever experienced unemployment since graduating college. In the fifth and final model, I take into account an interaction term of race and sex. This serves to test if there is a conditional relationship between these two variables.

The first model contains a combined race/ethnicity and generational status variable. For the purposes of this study, I limited the sample to respondents who selected one of the four largest racial groups: White[12], Latino, Black[13], and Asian. Participants who selected multiple racial groups were a relatively small number and were not included. I also omitted Native American participants for the same reason. Respondents who chose "Latino" had the choice of choosing a race in addition to that ethnic category. Roughly half chose a race along with "Latino" while the other half only selected the ethnic term. I aggregated all participants who chose to identify as "Latino"

[12] The American Sociological Association style manual does not capitalize either "Blacks" or "Whites." However, I have elected to do so.
[13] In this study, the terms "Black" and "African American" are interchangeable.

whether or not they selected one of the racial groups. This underscores Latinos' dynamic relationship with racial identification (Lansdale and Oropesa 2002; O'Brien 2008). Because Latinos hail from different nations and regions, those who identify thusly are often resistant to the United States' historically strict racial dichotomy. Generational status is a categorical variable where the reference category (coded 0) is third generation and beyond while first generation is coded 1 and second generation coded as 2. The ELS instructed participants to select "first generation" if they were born outside the United States. The ELS considers those born in the US territory of Puerto Rico to be foreign-born. Second generation denotes those respondents born in the United States but whose parent(s) was born abroad. Lastly, third generation and beyond include those participants who were born in the US along with their parent(s).

The next set of variables include family background characteristics like socioeconomic, marital, and parental status as well as parental wealth. Socioeconomic status is a composite, continuous variable ranging from 0 to 1.82 that contains respondents' parents' income, occupation, and education. The NCES, creators of the ELS: 2002 imputed missing values. They used the 1961 Duncan index to determine occupational prestige scores. Marital status indicates which participants are single or formerly married (coded 0) and which are married or cohabitating (coded 1) as of the survey's fourth wave in 2012. Similarly, parental status denotes what percentage of respondents have a biological child as of 2012 (non-parents were coded 0, parents were coded 1).

There is a model that includes educational characteristics such as a variable indicating whether or not participants ever attended a highly selective four-college. To determine if an institution was deemed highly selective, ELS relied on the Integrated

Postsecondary Education Data System (IPEDS) variable Carnegie Classification 2010: Undergraduate Profile. These institutions include those whose first-year student test scores place them in the top fifth of four-year colleges. College grade point average is used as a continuous variable on a scale from 1.00 to 4.00. It is cumulative and relies on GPAs from all institutions attended.

The final set of variables are those which investigate employment characteristics. Occupation is a categorical variable that corresponds to respondents' current job (in 2012) and was mapped by the ELS: 2002 from the Occupational Information Network (O*NET). Because this sample only includes college graduates, I dropped several categories because of the small cell sizes: laborers, operatives, military, and protective service. The reference category is "professional" which includes lawyers, dentists, and engineers. Unemployment is a dichotomous variable asking respondents whether or not they had ever experienced unemployment since January 2009. The ELS defines unemployment as not finding work while actively looking for it. Those who indicated they had experienced unemployment, for whatever stretch of time, were coded 1.

RESULTS

Descriptive Results

Demographic and socioeconomic indicators

Table 3.1 contains the summary statistics for the ELS: 2002 sample used in this study. The first table, Table 3.1 show descriptive statistics for the family background characteristics by race. Among the 6,692 respondents who graduated college by 2008,

nearly three-fifths (58.41%) were White, 13% Latina/o, 15% Black, and 14% were Asian. Women were overrepresented overall and among all racial groups. About 56% of the entire sample in this study were female; this was about the same for Whites (54.78%) and Asians (53.57%). However, females were even more overrepresented among Latina/os (58.43%) and Blacks (59.82%). Because there were so few, I decided to drop the foreign-born Whites in the sample. Of all the various racial and ethnic groups, the percentage of foreign-born respondents was highest among Asians; nearly half of all Asians in this study (48.92%) were born outside the United States. There was also a relatively large percentage of foreign-born Latina/os since nearly a quarter (24.31%) were born in places outside the US. Though much smaller, there was a fair percentage of foreign-born Blacks which include those born in the English-speaking Caribbean as well as parts of Africa; this group made up nearly 10% (9.71) of Black respondents.

TABLE 3.1 ABOUT HERE

To assess respondents' socioeconomic status, I included two variables: the 1961 Duncan SES Index – a composite score that takes into account parental education, income, and occupation – and parental wealth as measured by investments in stocks or real estate. Because the Duncan Index numbers make little sense alone and because these figures were deemed too confidential to include in public data files, I include an ELS categorical variable that breaks up the SES index scores into quartiles. Over 40% (41.94) of college educated White millennials were in the highest SES quartile. This figure is lower for Asians, of whom less than 35% (34.52) are in this same quartile. A much smaller percentage of Blacks and Latina/os are in the highest SES quartile: Just over one-fifth (22.05%) of Blacks and an even smaller percentage (19.64%) of Latina/os come from these high SES families. Likewise, respondents of color were overrepresented

in the lowest SES quartile. Over a third (33.10%) of Latina/os came from the lowest SES families. In addition, almost one-third of Asian (28.74%) and about one quarter of Black (24.75%) respondents also came from the lowest SES families.

I included wealth because it is a vital indicator of socioeconomic status and it is not included in the more traditional Duncan SES Index. The ELS: 2002 measured parental wealth by asking respondents in high school if their parents had ever invested in either stocks or real estate. Of the respondents in this study – those who completed a four-year college degree within four years – roughly three fifths of Whites had parents who possessed wealth (59.86%). Asian and Latina/o respondents followed with about 45% of them reporting parental wealth (45.62% and 45.07%, respectively). Blacks trailed all others; just 40% of them said their parents possessed any wealth. Together, these indicators show that White millennials are the most socioeconomically advantaged followed by Asians. There is a clear demarcation between Whites and Asians and their Latina/o and Black peers.

When millennials formed their own families by 2011, over half of Whites (52.53%) and about 45% of Latina/os (45.13) were either married or cohabitating. Asians and Blacks trailed far behind at 31.96% and 31.86%, respectively. Blacks and Latina/os were the most likely to be parents (39.44% and 32.22%, respectively). Less than one-quarter (23.28%) of Whites reported bearing children by 2011 while Asians – at less than 10% - were the least likely to do so. Marriage and cohabitation have often been indicators of family stability and higher socioeconomic status while childbearing has proved detrimental for many women in the labor market.

Educational indicators

There exists a wide variation of college selectivity attendance by millennials in this study. Over three-fifths of Asian respondents graduated from non-selective public universities (61.14%). Over half of Latina/os (56.45%) and Whites (54.71%) in this sample graduated from these types of postsecondary institutions. Proportionally fewer Black millennials graduated from these types of selective schools, at about 40%. Almost a third of Whites and Asians graduated from selective public institutions like UCLA and UC Berkeley (29.91% and 28.94%, respectively). Nearly a quarter (24.61%) of Black respondents graduated from selective public schools while less than a fifth (18.58%) of Latina/os did so. Black and Latina/o college graduates of highly selective, private colleges and universities, however, are overrepresented in this sample. Nearly one-third (28.42%) of Blacks and almost one-quarter (24.97%) of Latina/os graduated from these types of prestigious institutions. Only about 15% of Whites and less than 10% of Asians did so.

Mean cumulative college grade point averages normally range from 0.0 to 4.0; the respondents in this sample averaged a total of 2.75 GPA, with Asians possessing the highest mean GPA (2.89), followed by Whites (2.87), Latina/os (2.51), and Blacks (2.28). Like with SES, there appears a clear bifurcation with Asians and Whites possessing greater academic advantage over Latina/os and Blacks.

Employment characteristics

The last set of factors that affect financial stress are employment characteristics, namely professional/managerial work status, unemployment, and type of employment status. White and Asian millennials earn significantly more than their Black and Latina/o counterparts. Whites and Asians earned about $5,000 more annually than did

Blacks and Latina/os. Whites slightly out-earned Asians ($31,160.80 versus $30,813.77) and Latina/os earned somewhat less than Blacks ($24,102.02 compared to $24,616.81). Though mean earnings are not high for any group, the fact that Latina/o and Black millennials with college degrees earn so little is quite troubling.

The trend of White-Asian relative advantage over Blacks and Latina/os persists with the type of work in which the respondents engaged after college completion. Specifically, nearly half of Asian and White millennials worked in professional or managerial jobs (46.15% and 44.83%, respectively), while just over a third of Latina/os and Blacks did so (34.97% and 33.86%, respectively). This proves problematic since professional and managerial positions earn more than those that are not.

Similarly, unemployment plagued Blacks and Latina/os at higher percentages than it did Whites and Asians. Half of all college educated Black millennials reported experiencing some period of unemployment after graduating (50.02%). Nearly as many, 45%, of Latina/os also experienced unemployment. Whites and Asians, on the other hand, were relatively better off than their counterparts. About 38% of Asians and 34% of Whites were unemployed at some point after college. Unemployment is certainly high among all groups of millennials but, again, it appears to be an even larger problem for Latina/o and, especially, Black millennials. Lower earnings and higher rates of unemployment cast a financial cloud over these millennials of color.

The majority of all respondents reported working one full-time job, which is associated with the highest earnings. However, nearly two-thirds of Whites enjoy this privilege compared to less than 60% of respondents from every other racial group. Specifically, about 58% of Blacks and Latina/os and 54% of Asians work one full-time job. Small, but significant percentages of respondents reported working one or two part-

time jobs. Lastly, anywhere from about 12% to 22% of college educated millennials said they were out of the labor force but not looking for employment. This broad category includes those who may have chosen to stay home to raise families. However, importantly, it also includes those pursuing varying types of graduate education. It is notable that every group of color is in this category. Nearly 22% of Asians are in this category, as are about 16% of both Latina/os and Blacks; only about 12% of Whites fit in this group.

Multivariate Results

This section delves into the multivariate analyses that help us understand in what ways race and gender are associated with financial well-being as measured by annual earnings. The outcome of interest is 2011 earnings, nearly four years after respondents graduated college. There are two tables that contain the multivariate results: Tables 3.2 and 3.3. Table 3.2 contains the background factors that impact earnings (natural log of earnings) and include a combined race and generational status variable, sex, socioeconomic status, parental wealth, marital/cohabitating status, childbearing status, and an interaction term between sex and childbearing. There are a total of four models: model 1 only includes the results for race/generational status. Model 2 includes sex; model 3 adds the impact of SES and parental assets; model 4 includes the effects of marital and childbearing status; lastly, model 4 includes the interaction between sex and childbearing status.

In this first model, every racial/generational status group is associated with lower earnings compared to their native-born White counterparts. The gap is smallest between

native-born Whites and native-born Blacks (-0.360, $p < 0.01$), followed by foreign-born Latina/os (-0.442, $p < 0.01$), foreign-born Blacks (-0.477, $p < 0.1$), and native-born Latina/os (-0.555, $p < 0.01$). The gap in earnings in this sample was largest between Asians – native- and foreign-born alike – and Whites. The earnings gap for Asians was about twice as large as that of Latinos (foreign-born Asians -1.070 at the $p < 0.01$ level; native-born Asians -1.027 at the $p < 0.01$ level). Though model 2 takes into sex, the results remain about the same. Note that, importantly, being female is associated with lower earnings (-0.178, $p < 0.01$).

TABLE 3.2 ABOUT HERE

In Table 3.2, model 3 controls for respondents' socioeconomic, marital, and childbearing status. In this model, being Latino and Asian are still associated with lower earnings compared to White millennial respondents. A similar pattern emerges where Asians earn markedly less than Whites (foreign-born Asians -1.111, $p < 0.01$; native-born Asians -0.759, $p < 0.1$). Latina/o millennial respondents also earn less than Whites, even after controlling for SES (foreign-born Latinos -0.298, $p < 0.1$; native-born Latinos -0.438, $p < 0.05$). Being female was still associated with lower earnings (-0.132, $p < 0.1$). Respondents whose families fell into the third highest quartile earned more than those in the highest quartile (0.188, $p < 0.05$). Being married or cohabitating is linked with higher earnings (0.480, $p < 0.01$) while being a parent is associated with much lower earnings than non-parents (-1.049, $p < 0.01$).

Because childbearing status seemed to have such a noticeable impact on earnings, model 4 includes an interaction term between childbearing status and being female. The results show that, indeed, being female and a parent, is associated with lower earnings (-1.640, $p < 0.01$). In fact, this interaction term had the largest impact on

earnings than any of the other covariates in the model. In addition to there being a link between motherhood and lower earnings, being native-born Asian was still associated with lower earnings than Whites (-1.121, $p < 0.01$). The association between lower earnings and being Latina/o also remained in this model (native-born Latina/os: -0.443, $p < 0.05$; foreign-born Latina/os: -0.315, $p < 0.1$). Lastly, respondents in the third highest SES quartile earned more than highest quartile SES respondents (0.202; $p < 0.05$) and being married or cohabitating was still linked with higher earnings than their single counterparts (0.445, $p < 0.01$).

I separated the earnings results into two tables in order to make a large table more manageable and easier to read. Table 3.3 continues to show factors that impact college educated millennial earnings with the addition of educational and employment characteristics. Model 1 keeps racial and generational status, sex, SES, parental wealth, marital/cohabitating, and childbearing status. It also keeps the interaction term between sex and childbearing status. In addition to these, it includes educational factors such as college type and selectivity, college cumulative grade point average, and whether or not the respondent ever needed to take out a loan in order to afford college. When taking all these into account, model 1 shows that being Latina/o, regardless of nativity, is associated with lower earnings compared to native-born Whites (foreign-born Latina/os: 0.310, $p < 0.1$; native-born Latina/os -0.439, $p < 0.05$). There is a large, negative association between being Asian (native- or foreign-born) and lower earnings than Whites (foreign-born Asians: -1.108, $p < 0.01$; native-born Asians -0.744, $p < 0.1$). In this model, being female is actually associated with higher earnings (0.123, $p < 0.1$). Third highest quartile SES respondents continue to earn more than highest quartile SES respondents (0.200, $p < 0.1$). Additionally, having attended a selective, public college or university is associated with lower earnings (-0.171, $p < 0.1$). However, the largest effect

in earnings was the negative association between being a mother (both female and a parent) and earnings (-1.641, $p < 0.01$).

TABLE 3.3 ABOUT HERE

The second model in Table 3.3 incorporates post-college, labor market factors such as whether the respondent works a managerial job, whether or not they have ever experienced unemployment since January 2009, and their current employment status: working full-time (over 35 hours), working two part-time jobs that add up to 35 or more hours, working one part-time job for less than 35 hours, and out of the labor market and not seeking work. This last category includes those currently pursuing a graduate degree of any kind (i.e. Master's, doctoral, or professional degrees). Most of those respondents seeking out graduate degrees had not yet completed their programs, especially those pursuing doctoral-level degrees. The difference between Asian and White earnings remains with foreign-born Asians experiencing the greatest gap (-0.364, $p < 0.01$). Again, this model shows a positive association between being female and higher earnings (0.136, $p < 0.1$). A large, negative association remained between being a mother and high earnings (-0.869, $p < 0.01$).

Though college factors did not play a prominent role in affecting millennial earnings in model 2, employment factors proved crucial. Working a managerial job where employees experience greater independence, was associated with higher earnings (0.484, $p < 0.01$). Experiencing unemployment for any length of time since graduating college was associated with lower earnings (-0.133, $p < 0.1$). Working a part time job for fewer than 35 hours was associated with much lower earnings than those who worked one, full-time job (-0.933, $p < 0.01$). Being out of the labor force including for the purposes of pursuing further education, resulted in a vast decrease in earnings (-4.000, p

< 0.01). Because of this very significant effect, model three includes an interaction term between race/generational status and employment status. Most interestingly, there is a consistent and strong association between being Asian, especially native-born (-3.118, p < 0.1; foreign-born -1.180, p < 0.01) and being out of the labor market, not seeking work. Being a native-born Latina/o who worked full-time was also associated with much lower earnings than native-born Whites who worked full-time (-1.149, p < 0.05). In this final model, being female was associated with higher earnings (0.140, p < 0.1) as was being married or cohabitating (0.162, p < 0.1) and working a managerial job (0.476, p < 0.01). On the other hand, part-time work and being a mother were linked with much lower earnings than their counterparts (part-time workers -0.877, p < 0.01; mothers -0.909, p 0.01).

DISCUSSION AND CONCLUSIONS

College educated millennials are the latest generation of working-age Americans to continue to suffer the effects of racial and gender inequality in the labor market. The findings above show the persistence of racial inequality especially for Asians and Latinos. However, the drivers of this difference in earnings appears to originate from different sources. Asian millennials with college degrees, native- and foreign-born alike, who entered the labor market around 2008, earn significantly less than their White counterparts. The association between being Asian and lower earnings appeared in all models but one. Despite controlling for background factors like sex, socioeconomic status, family status, educational and characteristics, this association remained. However, the interaction term between race and generational status and employment

status helped shed some clarity about this association. The category "out of the labor market and not looking for work" includes respondents pursuing graduate degrees, a population well-known for not earning as much as full-time workers. The interaction between being Asian and this employment status category proved to be quite strong, especially for native-born Asians. Research has long established that Asians are highly likely to pursue graduate degrees, making this finding somewhat intuitive.

Another significant finding is the persistence of the association between being Latina/o, especially native-born, and lower earnings than Whites. Note that this negative relationship remained statistically significant until employment characteristics were added. This suggests the importance that employment factors such as type of job and the experience of unemployment might have on college millennials, especially Latina/os. However, it is key to note that full-time, native-born Latina/os appear to earn less than Whites. Thus, while the interaction between being Asian and being out of the labor market, not seeking work and, presumably, attending graduate school was statistically significant, so was the association between being a native-born Latina/o full-time worker who earned less than their White counterparts. This appears to suggest that what drives the difference in earnings between either of these millennials of color differs.

I previously discussed the body of research surrounding the theory of racialization. Barring important family background and education characteristics what distinguishes Latina/os from Whites is their undergoing the process of racialization for as long as Latina/os have been incorporated or immigrated to the United States. Though a highly ethnically, geographically, and phenotypically diverse population, Latina/os have long experienced a racialization process that renders them separate from Whites. The consequences are clear in Latina/o-White differences in access to educational,

socioeconomic, and political power. Latina/os, especially those who are native-born, often bear striking resemblance to African Americans in both social attitudes and in their treatment by Whites. Knowing this helps us understand the earnings gap between otherwise equally educated millennial Latina/os and Whites.

Future research will help elucidate this pay gap more definitively. However, from what past literature has said about advanced degree earnings, it seems as if the Asian-White earnings gap might not last long after completing their degree programs. More troubling seems to be the Latina/o-White gap because this study shows that obtaining a college degree is not protective of racial differences in earnings.

As I mentioned above, though those who identify as Latina/o might in fact be of any race, they are experiencing a period of overt racializing and even foreignizing by the current political discourse. This is evident in Donald Trump's presidential campaign when he alleged an Indiana-born Latina/o judge would be unable to be impartial in a lawsuit against Trump because of his heritage. In other words, recent political rhetoric characterizing Latina/os as non-White and, in particular, "illegal," or foreign and distinct may be hurting them as they participate in the labor market. Furthermore, past research has suggested that the racialization process may impact native-born Latina/os even more than those who are foreign-born. This is consistent with the finding of the association between being a native-born Latina/o and lower earnings. More work, possibly qualitative in nature, will need to be done in order to assess exactly what is driving this difference in earnings and what college educated Latina/o millennials' experiences in the labor market are like. Past research has documented how those in the so-called racial middle – Asians and Latina/os – often are read by Whites as foreign, despite their nativity. Scholars and policy makers alike need to better understand the ways in which

the most recent, vitriolic anti-immigrant political rhetoric has impacted college educated millennial Latina/os.

Another finding that is particularly alarming is the persistence of the motherhood penalty for college educated millennial women. While women have made incredible strides in education at every level, its impact on earnings, particularly when they become mothers, is not yet evident. While the difference between female and male earnings disappeared when controlling for family status – marital and childbearing status – the interaction term between sex and childbearing status was consistently statistically significant. The findings show that mothers earned significantly less than men who were not parents. It is important to note, however, that this study was unable to provide sophisticated variables in the models that might have accounted for this difference in earnings. Thus, future studies ought to incorporate variables that better capture the nature of the employment mothers pursued. Other studies point to women's inclination to seek employment that might provide greater flexibility; these kinds of employment might pay less.

Lastly, other things that impacted earnings are being marital and employment status. Like previous generations of Americans before them, college educated millennials who were married or were cohabitating, indeed, earned more than their single counterparts. Likewise, those who worked anything less than a full-time job was associated with much lower earnings than those who worked full-time. The significance of a strong labor market where people can find full-time employment is essential to helping increase equity in earnings. Future work can better elucidate the relationship between a weakened or sluggish economy and the achievement of milestones that include marriage or cohabitation. It is unclear whether some of these respondents who

work part-time are in some ways prevented from pursuing marriage or cohabitation and, in the future, the purchase of homes, investments, etc.

The current study is limited to investigating earnings only. Reports have shown how the Great Recession of 2008 decimated Black and Latina/o wealth. Past research has shown how much more durable and reliable wealth is compared to income. However, because this survey focuses on a cohort of individuals who are still young, assessing their wealth in a meaningful way is somewhat challenging since relatively few have purchased homes and invested their wealth. As surveys like the ELS: 2002 and others help cull more data in millennials' later years, it will be imperative to assess in what ways wealth limits or exacerbates racial and gender inequalities.

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Table 3.1 **Summary Statistics, Sociodemographic Background Characteristics, by Race**

	White	Latina/o	Black	Asian	Total
Demographic Characteristics					
Race	58.41	13.16	14.88	13.54	100.00
Female	54.78	58.43	59.82	53.57	55.84
Generational status					
Foreign-born	0.00	24.31	9.71	48.92	10.94
Native-born	100.00	75.69	90.29	51.08	89.06
Family of Origin Socioeconomic Status					
1961 Duncan SES Index score					
Highest quartile	41.94	19.64	22.05	34.52	35.04
Third	27.92	21.64	25.19	20.83	25.72
Second	19.90	25.63	28.01	15.91	21.32
Lowest	10.24	33.10	24.75	28.74	17.91
Parental Wealth	59.86	45.07	40.09	45.62	53.95
Respondent's Family Structure					
Married/cohabitating	52.53	45.13	31.86	31.96	45.7
Biological children	23.28	32.22	39.44	9.75	25.03
Educational Characteristics					
College Type and Selectivity					
Public, non-selective college	54.71	56.45	46.97	61.14	54.66
Public, selective college	29.91	18.58	24.61	28.94	27.5
Private, selective college	15.38	24.97	28.42	9.91	17.84
Cumulative College GPA (mean)	2.87	2.51	2.28	2.89	2.75

Table 3.1 (Continued)

	White	Latina/o	Black	Asian	Total
Financial Aid					
Parents contributed toward college tuition	61.57	48.77	43.66	62.38	58.02
Pell grant	53.10	77.87	84.07	72.32	62.23
Work study	11.01	14.37	17.53	14.99	12.70
Respondent took loans to pay for college	57.79	65.82	78.13	58.17	61.23
Mean loan amount (in 2011 US dollars)	38,310.95	29,830.16	32,448.42	44,697.77	41,368.69
Total N					**6,692**

Source: Education Longitudinal Study of 2002 (ELS: 2002)

Parental wealth includes investments in stocks or real estate

Table 3.2 ***Background Factors Influencing Employment Earnings, 2011: OLS Regression Coefficients, Natural Log of Earnings***

		Model 1			Model 2			Model 3			Model 4		
		B		SE	B		SE	B		SE	B		SE
Race and Generational Status (ref = Wh, native born)													
	Lat NB	-0.555	***	0.19	-0.555	***	0.19	-0.438	**	0.19	-0.443	**	0.19
	Lat FB	-0.442	***	0.18	-0.433	**	0.18	-0.298	*	0.18	-0.315	*	0.18
	Bl NB	-0.360	***	0.14	-0.349	**	0.14	-0.031		0.15	-0.042		0.15
	Bl FB	-0.477	*	0.30	-0.487	*	0.30	-0.328		0.33	-0.329		0.32
	Asn NB	-1.027	***	0.39	-1.037	**	0.39	-0.759	*	0.42	-0.747	*	0.42
	Asn FB	-1.070	***	0.13	-1.072	***	0.13	-1.111	***	0.13	-1.121	***	0.13
Female					-0.178	***	0.08	-0.132	*	0.08	0.134		0.09
SES (ref = Highest quartile)													
	3rd quartile							0.188	**	0.09	0.202	**	0.09
	2nd quartile							-0.040		0.11	-0.037		0.11
	Lowest quartile							-0.083		0.14	-0.053		0.14
Parental wealth								0.021		0.12	0.014		0.12
Married/Cohabitating								0.480	***	0.08	0.445	***	0.08
Childbearing								-1.049	***	0.10	0.055		0.17
Sex x Childbearing (ref = Male w/o children)													
	Fem w/ children										-1.640	***	0.21
Constant		9.578	***		9.578	***		9.386	***		9.259	***	
r^2		0.014			0.015			0.037			0.047		
N		5,637			5,637			5,637			5,637		

*p < 0.1; **p < 0.05; ***p < 0.01

Parental wealth defined as investments in real estate or stocks and bonds

Table 3.3 ***Background, Education, Employment Factors Influencing Employment Earnings, 2011: OLS Regression Coefficients, Natural Log of Earnings***

		Model 1			Model 2			Model 3		
		B		SE	B		SE	B		SE
Background Characteristics										
Race and Generational Status (ref = Wh, native born)										
	Lat NB	-0.439	**	0.19	-0.050		0.16	0.102		0.21
	Lat FB	-0.310	*	0.18	-0.108		0.16	-0.130		0.20
	Bl NB	-0.019		0.15	0.091		0.12	0.043		0.16
	Bl FB	-0.310		0.32	-0.167		0.25	-0.036		0.33
	Asn NB	-0.744	*	0.42	-0.559		0.33	-0.208		0.41
	Asn FB	-1.108	***	0.13	-0.384	***	0.11	-0.109		0.15
Female		0.123	*	0.09	0.136	*	0.08	0.140	*	0.08
SES (ref = Highest quartile)										
	3rd quartile	0.200	*	0.10	0.044		0.08	0.048		0.08
	2nd quartile	-0.039		0.12	-0.115		0.10	-0.112		0.10
	Lowest quartile	-0.058		0.14	-0.126		0.12	-0.123		0.12
Parental wealth		0.011		0.12	0.127		0.09	0.128		0.09
Married/Cohabitating		0.437	***	0.08	0.170	**	0.07	0.162	*	0.07
Childbearing		0.060		0.19	0.197		0.16	0.206		0.42
Sex x Childbearing (ref = Male w/o children)										
	Fem w/children	-1.641	***	0.22	-0.869	***	0.19	-0.909	***	0.12
Educational Characteristics										
Coll type and selectivity (ref = not sel, 4 yr, pub, NFP)										
	S, priv, 4 yr, NFP	-0.066		0.10	0.012		0.10	0.013		0.10
	S, pub, 4 yr, NFP	-0.171	*	0.11	-0.013		0.10	-0.017		0.10
GPA		0.042		0.06	0.006		0.05	0.012		0.05
Ever took out college loan		-0.077		0.08	-0.133		0.07	-0.051		0.07

Table 3.3 (Continued)

	Model 1			Model 2			Model 3		
	B		SE	B		SE	B		SE
Employment Characteristics									
Works professional/managerial job				0.484	***	0.08	0.476	***	0.08
Ever unemployed				-0.133	*	0.07	-0.135	*	0.07
Employment status (ref = FT job, 35+ hrs/wk)									
2 PT jobs, 35+ hrs				-0.029		0.13	0.034		0.15
1 PT job, < 35 hrs				-0.933	***	0.11	-0.877	***	0.13
Out of labor force, not seeking work				-4.000	***	0.11	-3.829	***	0.14
Race/gen status X Employment status									
Latina/o NB,FT							-1.494	*	0.67
Asn NB, out							-3.118	*	1.21
Asn FB, out							-1.180	***	0.34
Constant	9.270	***		9.795	***		9.753	***	
r^2	0.048			0.286			0.293		
N	5,637			5,637			5,637		

*p < 0.1; **p < 0.05; ***p < 0.01
Parental wealth defined as investments in real estate or stocks and bonds

Chapter 4

The Insufficient Equalizer: College Degrees' Inability to Protect Low Income and Female Millennials from Financial Stress

INTRODUCTION

The Great Recession of 2008 brought an onslaught of financial devastation to many Americans. Often referred to as the greatest economic downturn since the Great Depression of 1929, the recent recession has led to a loss of wages, wealth, and jobs for millions of Americans[14]. In addition, many of the jobs that did return were low skill and low wage employment. Millennials, those born between 1980 and 1995, were most greatly affected by the recent economic recession because this generation boasted larger college enrollment than any previous generation. In short, because so many millennials enrolled in college, there was less recovery time for this generation between graduating college and maintaining steady employment once the recession hit.

This recession presented a paradox for scholars and policymakers because college educated people entered the labor market for the first time and faced serious challenges that previous generations had not. Specifically, this generation of Americans faces greater challenges becoming financially independent from their families, finding secure, well-paying employment, and is delaying traditional adulthood milestones like getting married and bearing children (Newman 2012; Silva 2014). This not only debunked

[14] Pew Research Center "How the Great Recession has changed life in America" http://www.pewsocialtrends.org/2010/06/30/how-the-great-recession-has-changed-life-in-america/ 30 June 2010

conventional wisdom and previous scholarship about the relationship between educational attainment and social mobility, it left an entire generation of young people with being over-qualified and thus resulted in higher unemployment. Therefore, millennials may experience financial stress in a way that previous generations have not. While past studies have investigated financial stress among young people, this current study seeks to understand to what extent this particular college educated generation experienced financial stress.

Financial stress matters not only because of the psychosocial toll it takes on the individual. Rather, this type of stress reaches beyond the individual and often negatively impacts one's own children. In this way, financial stress helps begin, and in the cases of those already economically disadvantaged, perpetuate inequality for future generations. Though the impact of accumulating high levels of student debt and depressed earnings can be felt immediately by those young people attempting to achieve financial independence after college, financial stress is, in a way, more insidious, in that its effects are not fully realized until the next generation is harmed. Because of this, I find the study of financial stress timely.

PAST RESEARCH

Previous research has shown the financial stress not only directly hurts the individuals who experience it themselves. It also indirectly impacts these individuals' children, thus beginning or perpetuating a domino effect of inequality in the years to come. Financial stress, whether caused by chronic under- or unemployment, sustained recessions, stagnant wages, or a lack of career growth, hampers people in many ways. It

can impose on one financial constrains that prevent one from purchasing a home, finding a partner, and starting a family. However, it also causes a host of psychosocial problems in many in the way of depression, anxiety and loneliness. What is more, these people tend to employ parenting strategies that stem from this kind of financial challenge, thus leading to inconsistent discipline and a lack of nurturing. Past studies showed this to be particularly true for people who lived through similar times of financial crisis. The children of the depression suffered from their parents' experience of financial stress in the way of cruel punishments, depression, lowered career ambitions which led to dropping out of college, inconsistent participation in the labor market (Angell 1965; Elder 1974; Lempers, Clark-Lempers, Simons 1989; Moen 1983; Siegal 1984). In a later study, Lempers, Clark-Lempers, and Simons found that the children of those who lived through the recession of the 1980s, also experienced similar problems (1989). These children also struggled with depression, greater drug use, and lowered ambitions (Lempers, et al. 1989).

Financial stress begins by negatively affecting individuals' mental health. Clark-Lempers, Lempers, and Netusil (1990) suggest that the financial stress experienced by their respondents led to a greater incidence of depression in adolescents. These researchers defined stress as an environment that taxes a person beyond his or her resources that, in turn, endanger his or her emotional and mental well-being (Clark-Lempers et. al 1990). This study divided their respondents into farm- and non-farm families and showed that the effects of financial stress felt by families impacted young adults (Clark-Lempers, et al 1990). The current study, however, broadens this scholarship by looking at those in the millennial generation after college and disaggregates them by race and gender, rather than by farm and non-farm status. Though the Clark-Lempers, et al study showed how geography impacts young people, it

did not explicitly analyze the sample by race, a far more salient organizing principle than farm status. In addition, the sample is limited to Whites only. This excludes Blacks, Latina/os, and Asians and other groups of color who, together, comprise a significant portion of the American population.

The racial differences examined by previous scholars show that Latina/os not only report valuing education more than Whites, but they also experience greater amounts of stress while in college (Quintana, Vogel, and Ybarra 1991). The authors suggested that the Latina/o population was still quite small and its respondents were still in college. This current study relies on a more nationally representative sample of Latina/os who have already graduated college. It also asks different questions to gain a better understanding as to whether or not the attainment of a four-year college degree is protective for young people across various racial groups.

Historically, women have spent more time doing unpaid work including childcare and household chores. As more women entered the labor force in the 20th century, research found that they continued to carry on their childcare and household work, thus taking on a "second shift" (Hochschild 1989). Scholars argued that differences in how men and women use their time, namely men's avoidance of unpaid home labor, helps reify gender inequality (Hochschild 1989; Shelton 1992; Sayer 2005). A report from the U.S. Department of Labor found that nearly four million women worked multiple jobs in 1999 (U.S. Department of Labor 2000). Approximately 85% of those women were White while the remaining 15% included Blacks, Latinas, and women of other races (U.S. Department of Labor 2000). In addition, another report in 2002, suggests that nearly an equal percentage – 40% - of Latinas worked multiple jobs to either pay off debt or to earn extra money (U.S. Department of Labor 2002). Similarly, a report showed that

one-third of Black women did so to pay off debt while 50% worked more than one job to earn extra money. However, a relatively sizeable 20% of White women reported to enjoy their second job while 25% worked another job to pay off debt (U.S. Department of Labor 2002). These reports show that women who work multiple jobs for various reasons. However, women of color tend to do so out necessity rather than enjoyment or to build their careers. This reveals an overlooked form of White privilege among women in the labor market.

Prior research has also shown that Blacks are disadvantaged in the labor market. In one study, Huffman and Cohen (2004) find that the Black disadvantage in the labor market is compounded by persistent devaluation of their work, especially in areas with high concentrations of African Americans. In addition, Black women experience high levels of emotional stress from family and friends (Sarkisian and Gerstel 2004). Blacks are also at a greater risk of experiencing more financial stress at an earlier age than other racial groups (Estrada-Martinez, Caldwell, Bauermeister, and Zimmerman 2012). Together, financial as well as familial stressors place pressure on Blacks in a way that it does not for others. These findings suggest that African Americans have a long history of elevated levels of financial stress compared to other racial groups. It is imperative that research continues to track how Blacks are faring in the current labor market as this study does so. Additionally, it investigates how young college educated Blacks in general, and Black women in particular, are faring in terms of financial stress.

Research has also shown that women are also especially disadvantaged in the labor market because they are more vulnerable to the financial pressure of unemployed and unwed mothers face. For example, Livermore and Power (2006) point out the disadvantages that single moms face to provide for their families. Many women in this

situation turn to personal as well as government resources, including Temporary Assistance for Needy Families (TANF), so that they can provide for their children. Therefore, it is not surprisingly that financial stress is related to lower socioeconomic (SES) (Caplan and Schooler 2007).

Like single mothers, low SES college students may exhibit low external locus of control that perpetuate their financial behaviors (Britt, Cumbie, and Bell 2013). This is important to note because low SES college students may bear more likely to attribute their failure to succeed in college as a reflection of their financial status (Joo, Bagwell, and Grable 2008). Further because college students of color are also more likely to be of lower income, they may also experience additional financial constraints in even the most selective colleges and universities than their White counterparts (Charles, Fischer, Mooney, and Massey 2009).

Despite the reasons why college students face financial stress, it is important to address helping young college students become more equipped for these types of stressors with financial education courses. For example, Black college students with large amounts of debt who took a financial education course were more likely to seek out professional help with their finances than their White, Asian, or Latina/o counterparts (Lim, Heckman, Letkiewicz, and Montalto 2014). However, it is important to note that the direct cause of such financial distress is unknown. In other words, the financial education courses proposed by Lim, et al. (2014) does not address the cause of various larger economic forces including rising tuition, governmental divestment from higher education, and a subsequent over-reliance on student loans.

Men and women experience financial stress differently as it pertains to working long hours (Cha 2010). Specifically, middle class women with children experience the highest

likelihood to exit the labor market if their husbands worked long hours (Cha 2010). This may be due to a return in traditional gender roles, whereas women stay at home with their children and men work outside the home (Cha 2010). However, what is less clear is to what extent this might apply to women of color, especially Black and Latina women. It is possible that this phenomenon will disproportionately affect White women with more affluent husbands. In addition, this finding may impact millennial women in later years.

The recent global recession has significantly shaped family life (Newman 2012). For instance, some middle class recent graduates return home to save money and either take on unpaid internship opportunities or otherwise prepare for graduate school (Newman 2012). However, working class youths are less likely to leave home because they opt to stay to help with the family's finances with part-time employment (Newman 2012). Despite the recession's effects on family structure in the United States and other nations around the world – Denmark, Italy, Japan, Spain, and Sweden – the racial implications are less clear. In addition, it is not known if there exist significant differences between how White and racial minority families are affected.

The division of the labor market is associated with increasing economic inequality (Dwyer 2013). Those in low skill, low wage, and service jobs, experienced significant growth between 1983 and 2007 (Dwyer 2013). Most of this growth occurred in the lowest wage quintile (Dwyer 2013). In addition, non-White women were concentrated in the lowest 20% of the wage spectrum while White women and the relatively few White men in these types of occupations mostly appeared in the highest two quintiles of the distribution (Dwyer 2013). Dwyer's 2013 study makes an important contribution by examining the mechanisms that drive the polarized economy. However, the current

study controls for occupation type in order to see if the variable alone contributes to different labor market experiences for millennials across racial and gender groups.

Working class young adults redefine adulthood by passing through traditional milestones like acquiring a job, getting married, and bearing children. Working class youth instead understand becoming an adult occurs through the development of the "hardened self" (Silva 2013). According to Silva, the "hardened self" is the psychological strength that one musters in the face of financial and personal difficulties (2013). Her work suggests that the respondents in her study aimed their resentment at those who faced even greater disadvantages (Silva 2013). In fact, though they suffered the consequences of capitalist greed, they prove hesitant to mobilize collectively via protests or other similar collective action.

This modern manifestation of DuBois' *wages of whiteness* is apparent in the current presidential election where, to date, Donald Trump, the billionaire espousing overtly anti-Latino immigrant, Islamophobic, and nativist rhetoric, appears poised to acquire the Republican Party's nomination for President (DuBois 1935; Roediger 1991). That working class Whites possess their White identity as their sole currency in this weak economy helps explain their overwhelming support of a man whose educational attainment and financial fortune far surpasses their own. Silva's study provides a timely analysis of how many working class Whites relate to working class people of color. However, Silva's study fails to provide a clear enough understanding for how these working class tactics apply to young people across racial and gender groups.

Women are far more responsive to hypothetical constraints in the labor market than men (Pedulla and Thébaud 2015). It is important to note that changes in work-family policies related to the kind of egalitarian gender relationship that the majority of young

people desire (Pedulla and Thébaud 2015). Though the authors make a key contribution for the development of labor policies that might affect this generation in the future as they pass through later life course events such as marriage and childbearing. However, the current study hones in on more recent labor market outcomes, before many of them decide to start families of their own.

CONTRIBUTION

The current study fills an important gap in the literature about millennial post-college, financial stress. Much of the literature on racial inequality in the experience of stress is limited to the college-going experience (Tinto 1994; Massey, et al. 2006; Charles, et al. 2009). This paper investigates racial, generational, and gender differences in the experience of financial stress among college educated millennials. In addition, by focusing on millennials, it provides an analysis on the financial well-being of a generation of young Americans who now outnumber Baby Boomers[15]. This study limits its sample to those who graduated college by 2008. This was intentional and allows for the investigation of how this cohort is faring four years after college graduation. Lastly, much of the past research on Latina/o adult financial well-being focused on more recent immigrants who have historically been concentrated in low-wage, low-skill employment. This study investigates the outcomes of young Latina/o adults, many of whom are native-born, who graduated college and, thus, work in a greater variety of occupations. The fourth wave of the Education Longitudinal Study of 2002 will be used.

[15] United States Census Bureau https://www.census.gov/newsroom/press-releases/2015/cb15-113.html 25 June 2015

Ultimately, this study investigates differences in the experience of financial stress among college educated millennials. The chapter seeks to understand if a college degree can protect millennials from financial stress similarly or if there are differences among groups. This is crucial not only because of the harm it may cause these young people but also for the deleterious effects it may have on their own children. Though it is impossible at this point to look into this sort of impact, it can provide an outline of whose offspring might be the most vulnerable to economic difficulty in the years and decades to come.

DATA AND METHODS

This study relies on data from the Educational Longitudinal Study of 2002 (ELS: 2002) survey instrument that developed by the National Center for Education Statistics (NCES). The ELS: 2002 is the fourth in a series of longitudinal studies. There are four waves beginning in 2002, when respondents were in 10th grade; 2004 when most were in seniors in high school; 2006 when many were in college; and 2012, four years after many participants graduated college. NCES refreshed the sample in order to keep the survey nationally representative. It originally contained over 15,000 respondents and their parents. However, because college graduates compose the population of interest in this study, the final sample size is 7,665. In addition, respondents who took longer than four years to graduate were also excluded since the purpose of this study is to examine the labor market outcomes of participants four years after graduating.

The data set is useful because it is nationally representative of millennials, the target generation for this study. Additionally, it is multi-level because it contains

responses from high school principals, mathematics and English teachers, as well as other school administrators and staff along with students and their parents. The ELS: 2002 first selected schools and then chose a random sample of students within each school. Catholic and other private high schools, as well as Asians were sampled at higher rates in order to help analysts make comparisons among these groups. The first wave of data also contains students' scores in mathematics and English cognitive tests.

The third follow-up, in 2006, included all the respondents in the first two waves. Many of the students were in their second year of college while other dropped out or did not enroll in college at all. The ELS: 2002 administered this survey via a web-based self-administered interview, computer-assisted telephone interview or a computer-assisted personal interview.

The fourth and most recent follow-up occurred in 2012, four years after many respondents graduated college. This particular study only includes those who graduated college by this time. Though it meant that an important number of respondents were not included, it allowed me to assess the labor market participation of college graduates, the primary focus of this study. The survey contains college transcript information as well as post-college outcomes like occupational, marital, and parental status. I used multiple imputation in order to deal with the missing data because of its improved accuracy compared to listwise deletion (Von Hippel 2007; Allison 2001; Charles, Kramer, Torres, and Brunn-Bevel 2015).

Analytic Strategy

In order to examine the factors that influence college-educated millennial student debt four years after graduating, I conducted a logistic regression and run five step-wise

models where I incorporate various sets of independent variables. The first model contains only race and sex. In the second, I include family backgrounds that include generational, socioeconomic, family status, and assets. Model 3 takes into account educational characteristics such as high school math scores, whether or not respondents took a remedial course in college, if they ever attended a highly selective college, college major, college cumulative grade point average (GPA), and educational attainment beyond a bachelor's degree (Master's, professional, or doctoral degree). In model 4, I include the employment characteristics of occupation, and whether or not participants ever experienced unemployment since graduating college. In the fifth and final model, I take into account an interaction term of race and sex. This serves to test if there is a conditional relationship between these two variables.

The dependent variable of interest in this chapter is a categorical variable that includes the subjective financial stress rating. In 2012, the ELS survey asked participants, "Many young adults experience financial problems. On a scale of 1 to 5, where 1 means 'not at all stressful' and 5 means 'extremely stressful,' how much stress have you felt in meeting your financial obligations during the past year?" Because this variable has five categories, numerous scholars consider it customary to treat it more like a continuous variable than a categorical one (Avanth and Kleinbaum 1997). Multinomial logistic regression would have worked better for fewer than categories because any more than this would severely undermine the proportional odds assumption (Avanth and Kleinbaum 1997). Because five categories would produce an excessively difficult model interpretation, the dependent variable is treated as a continuous one.

The first model contains just two variables: race and sex. For the purposes of this study, I limited the sample to respondents who selected one of the four largest racial

groups: White[16], Latina/o, Black[17], and Asian. Participants who selected multiple racial groups were a relatively small number and were not included. I also omitted Native American participants for the same reason. Respondents who chose "Latino" had the choice of choosing a race in addition to that ethnic category. Roughly half chose a race along with "Latino" while the other half only selected the ethnic term. I aggregated all participants who chose to identify as "Latino" whether or not they selected one of the racial groups. This underscores Latina/os' dynamic relationship with racial identification (Lansdale and Oropesa 2002; O'Brien 2008). Because Latina/os hail from different nations and regions, those who identify thusly are often resistant to the United States' historically strict racial dichotomy. In the sex variable, females were coded 1.

The next set of variables include family background characteristics like generational, socioeconomic, marital, parental status, and assets. Generational status is a categorical variable where the reference category (coded 0) is third generation and beyond while first generation is coded 1 and second generation coded as 2. The ELS instructed participants to select "first generation" if they were born outside the United States. The ELS considers those born in the US territory of Puerto Rico to be foreign-born. Second generation denotes those respondents born in the United States but whose parent(s) was born abroad. Lastly, third generation and beyond include those participants who were born in the US along with their parent(s). Socioeconomic status is a composite, continuous variable ranging from 0 to 1.82 that contains respondents' parents' income, occupation, and education. The NCES, creators of the ELS: 2002 imputed missing values. They used the 1961 Duncan index to determine occupational prestige scores. Marital status indicates which participants are single or formerly

[16] The American Sociological Association style manual does not capitalize either "Blacks" or "Whites." However, I have elected to do so.
[17] For the purposes of this study "Black" and "African American" are interchangeable.

married (coded 0) and which are married or cohabitating (coded 1) as of the survey's fourth wave in 2012. Similarly, parental status denotes what percentage of respondents have a biological child as of 2012 (non-parents were coded 0, parents were coded 1). Lastly, the ELS survey asked participants to imagine if their debts were settled would they have assets left over, break even, or be in debt. The reference category is "have something left over" and was therefore coded 0. Those who reported to "break even" were coded as 1 and those where in debt were coded 2.

The ELS: 2002 measures respondents' math scores and broke them up evenly into quartiles. Quartile one corresponds to those participants who scored the lowest while the highest quartile represents those students with the highest scores. The survey did not impute scores for dropouts, early graduates, and those who received homeschooling. The purpose of this variable is to include in the model a control for participants' academic aptitude. Educational characteristics include whether or not respondents took a math, reading, or writing remedial course in college. Those who selected "yes" were coded 1. This model also includes a variable indicating whether or not participants ever attended a highly selective four-college. To determine if an institution was deemed highly selective, ELS relied on the Integrated Postsecondary Education Data System (IPEDS) variable Carnegie Classification 2010: Undergraduate Profile. These institutions include those whose first-year student test scores place them in the top fifth of four-year colleges. The ELS: 2002 used the 2010 Classification of Instructional Programs (CIP) where over 20 different college majors were listed. However, I consolidated them into the following: science, technology, engineering and mathematics (STEM) fields which included "computer and information sciences," "engineering and engineering technology," "bio/physical science, science technology," "mathematics," and "agricultural and natural resources." I combined "humanities" with

"history," and "general studies;" "social sciences" with "psychology;" while "education" and "business" were kept separately. I included an "other" category which includes fields outside of those mentioned above. College grade point average is used as a continuous variable on a scale from 1.00 to 4.00. It is cumulative and relies on GPAs from all institutions attended. Educational attainment divides those respondents who acquired post-college degrees including Master's and doctoral degrees. The reference category was those who only graduated with a bachelor's degree (coded 0) while those who had obtained Master's or professional degrees by 2012 were coded 1; doctoral degree recipients were coded 2.

The final set of variables are those which investigate employment characteristics. Occupation is a categorical variable that corresponds to respondents' current job (in 2012) and was mapped by the ELS: 2002 from the Occupational Information Network (O*NET). Because this sample only includes college graduates, I dropped several categories because of the small cell sizes: laborers, operatives, military, and protective service. The reference category is "professional" which includes lawyers, dentists, and engineers. Unemployment is a dichotomous variable asking respondents whether or not they had ever experienced unemployment since January 2009. The ELS defines unemployment as not finding work while actively looking for it. Those who indicated they had experienced unemployment, for whatever stretch of time, were coded 1.

RESULTS

Descriptive Results

Demographic and socioeconomic indicators

Table 4.1 contains the summary statistics for the ELS: 2002 sample used in this study. The first table, Table 2.1 show descriptive statistics for the family background characteristics by race. Among the 6,692 respondents who graduated college by 2008, nearly three-fifths (58.41%) were White, 13% Latina/o, 15% Black, and 14% were Asian. Women were overrepresented overall and among all racial groups. About 56% of the entire sample in this study were female; this was about the same for Whites (54.78%) and Asians (53.57%). However, females were even more overrepresented among Latina/os (58.43%) and Blacks (59.82%). Because there were so few, I decided to drop the foreign-born Whites in the sample. Of all the various racial and ethnic groups, the percentage of foreign-born respondents was highest among Asians; nearly half of all Asians in this study (48.92%) were born outside the United States. There was also a relatively large percentage of foreign-born Latina/os since nearly a quarter (24.31%) were born in places outside the US. Though much smaller, there was a fair percentage of foreign-born Blacks which include those born in the English-speaking Caribbean as well as parts of Africa; this group made up nearly 10% (9.71) of Black respondents.

TABLE 4.1 ABOUT HERE

To assess respondents' socioeconomic status, I included two variables: the 1961 Duncan SES Index – a composite score that takes into account parental education, income, and occupation – and parental wealth as measured by investments in stocks or real estate. Because the Duncan Index numbers make little sense alone and because these figures were deemed too confidential to include in public data files, I include an ELS categorical variable that breaks up the SES index scores into quartiles. Over 40% (41.94) of college educated White millennials were in the highest SES quartile. This

figure is lower for Asians, of whom less than 35% (34.52) are in this same quartile. A much smaller percentage of Blacks and Latina/os are in the highest SES quartile: Just over one-fifth (22.05%) of Blacks and an even smaller percentage (19.64%) of Latina/os come from these high SES families. Likewise, respondents of color were overrepresented in the lowest SES quartile. Over a third (33.10%) of Latina/os came from the lowest SES families. In addition, almost one-third of Asian (28.74%) and about one quarter of Black (24.75%) respondents also came from the lowest SES families.

I included wealth because it is a vital indicator of socioeconomic status and it is not included in the more traditional Duncan SES Index. The ELS: 2002 measured parental wealth by asking respondents in high school if their parents had ever invested in either stocks or real estate. Of the respondents in this study – those who completed a four-year college degree within four years – roughly three fifths of Whites had parents who possessed wealth (59.86%). Asian and Latina/o respondents followed with about 45% of them reporting parental wealth (45.62% and 45.07%, respectively). Blacks trailed all others; just 40% of them said their parents possessed any wealth. Together, these indicators show that White millennials are the most socioeconomically advantaged followed by Asians. There is a clear demarcation between Whites and Asians and their Latina/o and Black peers.

When millennials formed their own families by 2011, over half of Whites (52.53%) and about 45% of Latina/os (45.13) were either married or cohabitating. Asians and Blacks trailed far behind at 31.96% and 31.86%, respectively. Blacks and Latina/os were the most likely to be parents (39.44% and 32.22%, respectively). Less than one-quarter (23.28%) of Whites reported bearing children by 2011 while Asians – at less than 10% - were the least likely to do so. Marriage and cohabitation have often been

indicators of family stability and higher socioeconomic status while childbearing has proved detrimental for many women in the labor market.

Educational indicators

There exists a wide variation of college selectivity attendance by millennials in this study. Over three-fifths of Asian respondents graduated from non-selective public universities (61.14%). Over half of Latina/os (56.45%) and Whites (54.71%) in this sample graduated from these types of postsecondary institutions. Proportionally fewer Black millennials graduated from these types of selective schools, at about 40%. Almost a third of Whites and Asians graduated from selective public institutions like UCLA and UC Berkeley (29.91% and 28.94%, respectively). Nearly a quarter (24.61%) of Black respondents graduated from selective public schools while less than a fifth (18.58%) of Latina/os did so. Black and Latina/o college graduates of highly selective, private colleges and universities, however, are overrepresented in this sample. Nearly one-third (28.42%) of Blacks and almost one-quarter (24.97%) of Latina/os graduated from these types of prestigious institutions. Only about 15% of Whites and less than 10% of Asians did so.

Mean cumulative college grade point averages normally range from 0.0 to 4.0; the respondents in this sample averaged a total of 2.75 GPA, with Asians possessing the highest mean GPA (2.89), followed by Whites (2.87), Latina/os (2.51), and Blacks (2.28). Like with SES, there appears a clear bifurcation with Asians and Whites possessing greater academic advantage over Latina/os and Blacks.

Financial aid

The types and amount of financial aid prove an important factor in determining college goers' need to accumulate debt. As such, I included several forms of financial aid: whether or not tuition was paid by family contributions (regardless of amount), whether or not the respondent's tuition was paid, at least in part, by Pell grants, and, finally, whether college tuition was paid, at least in part, by Federal Work Study. The first form of aid is most common among the most advantaged respondents while the latter two benefit poor and working class college goers. More than three-fifths of Asian (62.38%) and White (61.57%) respondents reported having their parents contribute toward their college tuition. Like with some previous indicators, Latina/os and Blacks lag far behind in terms of parental contributions toward tuition. Fewer than half (48.77%) of Latina/o and Black (43.66%) said their families could help pay for the cost of college tuition. Fewer than half of Latina/os' and Blacks' parents were able to help them afford college.

A vast majority of millennials of color, however, did receive Pell grants. Over 70% of Asians received some Pell grant aid while more than three-quarters (77.87%) and 85% of Black millennials benefitted from Pell grants. A large but significantly smaller percentage of Whites – 53.10% - received this same type of financial aid. Lastly, a similar pattern emerges among Federal Work Study participants. Respondents of color were more likely than Whites to report that work study helped contribute toward college tuition costs. Roughly 15% of Asians and Latina/os (14.99% and 14.37%, respectively) received work study while closer to one-fifth of Black millennials did so (17.53%). Again, a relatively smaller percentage of Whites reported receiving this type of aid (11.01%).

The majority of all respondents reported needing to take on student debt in order to pay for college, however, Latina/os, and especially Blacks did so at significantly higher

percentages. Less than 60% of Asians and Whites took out student loans (58.17% and 57.79%, respectively). However, nearly two-thirds (65.82%) of Latina/os and roughly 80% (78.13) of Blacks needed to take on student debt. The mean amount of debt also varied across racial groups. In this instance, Asians and Whites took on the greatest amount of debt while Blacks and Latina/os took on the least. Asians borrowed, on average, nearly $45,000 in student debt while Whites took on about $38,000. Blacks follow with an average accumulation of $32,000 and, finally, Latina/os borrow an average of $30,000.

Employment Characteristics

The last set of factors that affect financial stress are employment characteristics, namely, mean post-college earnings, professional/managerial work status, unemployment, and type of employment status. White and Asian millennials earn significantly more than their Black and Latina/o counterparts. Whites and Asians earned about $5,000 more annually than did Blacks and Latina/os. Whites slightly out-earned Asians ($31,160.80 versus $30,813.77) and Latina/os earned somewhat less than Blacks ($24,102.02 compared to $24,616.81). Though mean earnings are not high for any group, the fact that Latina/o and Black millennials with college degrees earn so little is quite troubling.

The trend of White-Asian relative advantage over Blacks and Latina/os persists with the type of work in which the respondents engaged after college completion. Specifically, nearly half of Asian and White millennials worked in professional or managerial jobs (46.15% and 44.83%, respectively), while just over a third of Latina/os

and Blacks did so (34.97% and 33.86%, respectively). This proves problematic since professional and managerial positions earn more than those that are not.

Similarly, unemployment plagued Blacks and Latina/os at higher percentages than it did Whites and Asians. Half of all college educated Black millennials reported experiencing some period of unemployment after graduating (50.02%). Nearly as many, 45%, of Latina/os also experienced unemployment. Whites and Asians, on the other hand, were relatively better off than their counterparts. About 38% of Asians and 34% of Whites were unemployed at some point after college. Unemployment is certainly high among all groups of millennials but, again, it appears to be an even larger problem for Latina/o and, especially, Black millennials. Lower earnings and higher rates of unemployment cast a financial cloud over these millennials of color.

The majority of all respondents reported working one full-time job, which is associated with the highest earnings. However, nearly two-thirds of Whites enjoy this privilege compared to less than 60% of respondents from every other racial group. Specifically, about 58% of Blacks and Latina/os and 54% of Asians work one full-time job. Small, but significant percentages of respondents reported working one or two part-time jobs. Lastly, anywhere from about 12% to 22% of college educated millennials said they were out of the labor force but not looking for employment. This broad category includes those who may have chosen to stay home to raise families. However, importantly, it also includes those pursuing varying types of graduate education. It is notable that every group of color is in this category. Nearly 22% of Asians are in this category, as are about 16% of both Latina/os and Blacks; only about 12% of Whites fit in this group.

Multivariate Results

Model 1 of Table 4.2, which contains results for race and generational status, suggests that college educated millennial Latina/os and, especially, African Americans experience higher levels of financial stress than their White peers. Though there was a 29% higher odds of native-born Latina/os to higher levels of stress than Whites ($p < 0.1$), this link was not present for foreign-born Latina/os. Native-born Blacks had 71% higher odds than Whites ($p<0.01$). Model 2 takes into account sex and shows results that mirror those in model 1. Native-born Latina/os experienced 29% higher odds of experiencing higher levels of financial stress ($p < 0.1$); there was no statistically significant link between foreign-born Latina/os and higher levels of stress. Native-born Blacks were even more likely to suffer more stress: 68% higher odds than Whites ($p < 0.01$). College educated millennial women had 32% higher odds of experiencing more stress when compared to men ($p < 0.01$).

TABLE 4.2 ABOUT HERE

Because of the strong association between being female and higher levels of financial stress, model 3 includes an interaction term between the combined race and generational status variable and sex. Model 3 shows that being native-born Latina/o and is associated with 35% higher odds of greater levels of stress ($p < 0.1$). The connection also persists for native-born Black millennials. When adding the interaction term into model 3, there is an association between being a native-born Black woman and more stress (1.39, $p < 0.1$). The direct effect for being female was 1.31 ($p < 0.01$).

Model 4 keeps the interaction term and adds the impact of socioeconomic status. This model shows no statistically significant difference between Black and White levels

of financial stress. The direct effect for sex remains, however; women have 27% higher odds than men of experiencing more stress ($p < 0.01$). Unlike in model 3, native-born Black women are not any more likely to experience higher levels of stress than White men. Socioeconomic status is certainly connected with financial stress. Millennial respondents whose family were in the lowest SES quartile experienced 47% higher odds of experiencing greater levels of financial stress, when compared to peers whose families were in the highest SES quartile ($p < 0.01$). Second-lowest SES quartile respondents had 49% higher odds of more stress while third SES quartile millennials had 40% higher odds than their highest quartile counterparts ($p < 0.01$). Those respondents whose parents had wealth in the way of either stocks or real estate investments, were 19% less likely to stress than those whose families did not possess this type of wealth ($p < 0.01$). Married respondents had 26% higher odds of experiencing more stress than their single counterparts ($p < 0.01$) while parents had 73% higher odds of reporting more stress than their single peers ($p < 0.01$).

Model 5 drops the interaction between race and sex because it no longer proved to be statistically significant. However, this model shows that race, gender, SES, and childbearing by women continue to be associated with financial stress. Native-born Black millennials have 23% higher odds of experiencing more financial stress than Whites ($p < 0.05$). Women are still more likely – 23% higher odds – to experience more stress than men ($p < 0.01$). The lowest SES quartile respondents had 45% higher odds of greater levels of stress ($p < 0.01$) while those whose families placed them in the second quartile had 50% higher odds of more stress ($p < 0.01$). Third quartile SES respondents did not fare much better since they had 40% higher odds of greater stress than those in the highest SES quartile ($p < 0.01$). Parental wealth was associated with a 19% decrease in the odds of financial stress ($p < 0.01$). Being married, on the other hand, was

associated with greater stress (1.26, $p < 0.01$). Parents had 49% higher odds of reporting financial stress ($p < 0.01$). Mothers, in particular, were more stressed than their childfree, male counterparts (26%; $p < 0.05$). This model is the first where there is no statistically significant association between being Black and the experience of greater levels of financial stress.

Table 4.3 includes all the background factors from the previous table and adds education and employment characteristics. It is its own separate table in order to make it less unwieldy and for improved readability. Model 1 adds educational characteristics, namely college selectivity and cumulative grade point average, in order to determine the association between them and millennials' experience of financial stress. College type and selectivity are not associated with a statistically significant difference in earnings. College GPA, however, is associated with 30% lower odds of experiencing higher levels of financial stress ($p < 0.01$). In this model, African American college educated millennials' stress levels are no longer different than their peers'. However, being female is still associated with 35% higher odds of more stress ($p < 0.01$). Socioeconomic status and childbearing status also remained statistically significant. Respondents whose families placed them in the lowest quartile were 35% more likely to experience greater stress ($p < 0.01$). Second quartile SES respondents had 40% higher odds ($p < 0.01$) and third quartile millennials had 37% higher odds than those who were at the highest SES quartile ($p< 0.01$).

TABLE 4.3 ABOUT HERE

Respondents whose parents possessed wealth in the way of either stocks or real estate investments reported an 18% lower likelihood of more financial stress ($p < 0.01$). Married millennials had 23% higher odds of more stress than their single counterparts

($p < 0.01$). Parents also experienced more stress – 34% higher odds – compared to those who were childfree. In addition, women who were parents, expressed a 28% higher likelihood of more financial stress compared to men who were not parents ($p < 0.1$).

The fast-rising cost of college necessitates financial aid for many American college goers. The US' financial aid application process can seem labyrinthine and highly confusing. Some types of aid, like the Pell grant, are aimed at low income students while others, like the PLUS loan tend to benefit those whose parents have the financial ability to take out loans on behalf of their children. Financial aid is included in model 2 because of its increasingly important role in helping students' decisions to enroll in college but also their ability to complete college. I argue that financial aid has at least another role in young people's lives: possessing enough of it, especially for high-need, low income individuals, can enable greater financial peace of mind. On the other hand, insufficient aid can exacerbate the stress many young adults feel when they graduate, look for full-time employment, and otherwise seek to establish themselves as independent adults.

Respondents who needed to take out loans in order to pay for college had 2.78 times higher odds of experiencing more financial stress nearly four years after graduation ($p < 0.01$). On the other hand, those fortunate enough to had parents able to contribute toward tuition had 13% lower odds of more stress ($p < 0.05$). Pell grant recipients, students largely from poor and working class families, reported 27% higher likelihood of more stress ($p < 0.05$). Participating in federal work study was not associated with greater financial stress. Including financial aid factors now produced an 18% lower odds of higher stress for foreign-born Latina/os ($p < 0.1$). Women still experienced 35% higher odds of higher stress levels than men ($p < 0.01$). In this model, a statistically significant difference existed only for third quartile SES respondents. They

had 18% higher odds of experiencing higher levels of stress than their highest quartile counterparts ($p < 0.01$). Holding financial aid factors constant, largely levels the difference in stress levels between low and high SES respondents. It did not, however mitigate the higher likelihood of more stress that those with families experienced. Specifically, married millennials had 23% higher odds of more stress ($p < 0.01$) while those with children had 35% higher odds of more financial stress ($p < 0.01$). Mothers, again, had a greater likelihood – 24% - of experiencing greater levels of financial stress compared to men with no children ($p < 0.1$). Those with high college GPAs had 29% lower odds of greater stress ($p < 0.01$).

Lastly, model 3 includes employment characteristics: earnings, whether or not the respondent works a professional or managerial job, whether or not they had ever experienced unemployment since graduating college, and their current (as of 2011) employment status. There is a negative relationship between earnings and financial stress so that those with higher earnings are less likely to experience higher levels of stress ($p < 0.1$). Working in a professional or managerial position four years after college graduation was associates with 23% lower odds of more financial stress ($p < 0.01$). Experiencing unemployment for any amount of time since graduating is associates with 84% higher odds of more financial stress ($p < 0.01$). Compared to working one, full-time job, those who worked two part-time jobs for 35 hours or more had 42% higher odds of more stress ($p < 0.01$). Millennials who worked one part-time job for fewer than 35 hours had 54% higher odds of increased financial stress while those who were out of the labor market and not looking for employment had 26% higher odds of more stress ($p < 0.01$). It is important to note that the last category included those respondents who, four years after college, decided to pursue graduate education.

The inclusion of employment characteristics yields a negative association between being Latina/o or Black and financial stress. Native-born African American and foreign-born Latina/os were both had about 20% lower odds of experiencing more stress compared to native-born Whites ($p < 0.1$). In a hypothetical scenario where employment characteristics were the same for all, Black and Latina/o millennials might actually report experience less stress. However, the association between being female and greater stress remained; they had 34% higher odds than their male counterparts to experience higher levels of stress ($p < 0.01$). Third SES quartile respondents had 22% higher odds of more stress than the highest SES respondents ($p < 0.01$). Married respondents and those with children had higher odds of more financial stress. Married millennials had 17% higher odds ($p < 0.01$) while parents had 30% higher odds of more stress ($p < 0.05$). Holding employment characteristics constant, on the other hand, meant that there was not statistically significant difference in financial stress levels between mothers and childfree men.

High college GPAs were associated with lower likelihood of high financial stress levels ($p < 0.01$). Those who needed to borrow to afford college had 2.74 times higher odds of more stress than those who did not ($p < 0.01$). Respondents whose parents helped pay for college had 15% lower odds of high stress levels ($p < 0.01$) while those awarded Pell grants had 18% higher odds of more stress ($p < 0.05$). Partaking in the federal work study program while in college had no association with greater stress levels four years after college completion.

DISCUSSION AND CONCLUSIONS

Financial stress matters because of its long-term effects on future generations. If past research is any indication, experiencing high levels of this type of psychosocial strain can have deleterious effects on one's parenting and, thus, one's offspring. While the consequences of the earlier outcomes of interest – student debt accumulation and annual earnings – begin to levy their impact almost immediately upon college graduation, financial stress might prove more insidious in that in can become evident years later. In this way, financial stress can act as a factor that perpetuates financial inequality, especially for those groups that are disadvantaged in terms of either student debt or depressed earnings.

Though only future research can adequately describe and analyze just how the offspring of millennials fare, extensive studies of those children of those who experienced great financial difficulty in previous generations – namely the Great Depression and the recession of the 1980s – show that the following generation of young people struggled with lower career ambitions, greater feelings of hopelessness, increased drug use, and the experience of mental health problems. Though we are unable to study the effects of financial stress on millennials' offspring, research shows that it can, indeed, have a deleterious impact. Thus, understanding which groups of millennials are more likely to experience higher levels of financial stress might help predict where problems will arise among youths in the coming years and decades.

The analyses above suggest that women are particularly vulnerable to greater levels of financial stress. Even after holding constant family status, academic, financial aid, and employment characteristics, women had higher odds of more financial stress. This is problematic in large part because of financial stress' potential harmful impact on children and women's historically disproportionate share of childcare work. Therefore, if

women experience more stress, this will likely impact their children in ways that will hurt their own economic well-being. Only future research will tell for sure if and how millennials women's offspring are impacted by the greater levels of stress they tend to bear. However, research of previous generations who struggled with large-scale economic hardship, like the Great Depression and the economic downturn of the 1980s, shows that such financial stress does not bode well for children's well-being.

Financial aid makes a crucial difference in Latina/o and Black levels of financial stress. Once the models controlled for financial aid factors, both foreign-born Latina/o and native born Black respondents had lower odds of experiencing high levels of financial stress. This is important because, as previously stated, Latina/o and Black young people are more likely to come from poor and working class backgrounds than their Asian and White peers. In addition, tuition has risen dramatically over the last few decades while financial aid packages have increasingly forced students to rely on loans. A previous chapter showed that Black millennials are more likely to borrow for college than any other racial group. This is an accumulation of disadvantage that hurts two of the most vulnerable groups of young people. If however, a greater effort is made, both on the federal and state levels, to see the education of its young people as an investment and thus, provide more aid in the way of grants to those who need it the most, we might be able to end the disadvantage Latina/os and Blacks often face.

Financial aid also makes a significant impact for those students who come from low socioeconomic backgrounds, regardless of race or ethnicity. Millennials whose families came from the lowest two SES quartiles had much higher odds of greater stress levels until the models controlled for financial aid factors. This finding suggests, again, how beneficial it would be to some of the most economically vulnerable young people, if

a greater effort were made by colleges and governments alike to provide grant-based aid. Taking out loans, on the other hand, is associated with significantly higher levels of financial stress. Financial stress is not only detrimental for individuals; it tends to trickle down to one's own children. If then, these are children who come from economically disadvantaged families, financial stress might only work to perpetuate hardship for them.

Financial stress matters because of its two-fold effect: placing a psychosocial burden on the individual but also by potentially harming one's own children. Though it is too soon to investigate the effects the Great Recession of 2008 on the children of millennials, past research has shown the ill-effects other financial downturns have had on previous generations. Namely, the children of the Great Depression and those of the 1980s recession were more likely to struggle with lower career ambitions, greater feelings of helplessness, and even higher odds of substance abuse, all of which are detrimental to one's financial prospects. Stressed individuals often parent out this type of psychosocial difficulty and, thus, inadvertently hurt their children. Again, while this study is unable to show the latter, it certainly shows what factors impact college educated millennials financial stress levels. Women, many of whom will eventually become parents, are especially vulnerable to high levels of financial stress.

On the other hand, financial aid plays an important role especially for Latina/o, Black, and low SES young people. As I argued in a previous chapter, making this change will require a change in how institutions including federal and state governments as well as postsecondary institutions themselves, understand higher education. If they continue to think of a college degree as self-improvement, then students will continue to be burdened by student debt. However, if these institutions conceive of a four-year college

education as an investment in young people who will eventually contribute to society both economically and civically, then financial aid will become more egalitarian and thus, seek to greater meet the needs of the most vulnerable college students. This is possible because that they thought of college after World War II, when the primary beneficiaries were White men, returning home from war. It can happen again.

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Table 4.1 **Summary Statistics, Sociodemographic Background Characteristics by Race**

	White	Latina/o	Black	Asian	Total
Demographic Characteristics					
Race	58.41	13.16	14.88	13.54	100.00
Female	54.78	58.43	59.82	53.57	55.84
Generational status					
Foreign-born	0.00	24.31	9.71	48.92	10.94
Native-born	100.00	75.69	90.29	51.08	89.06
Family of Origin Socioeconomic Status					
1961 Duncan SES Index score					
Highest quartile	41.94	19.64	22.05	34.52	35.04
Third	27.92	21.64	25.19	20.83	25.72
Second	19.90	25.63	28.01	15.91	21.32
Lowest	10.24	33.10	24.75	28.74	17.91
Parental Wealth	59.86	45.07	40.09	45.62	53.95
Respondent's Family Structure					
Married/cohabitating	52.53	45.13	31.86	31.96	45.70
Biological children	23.28	32.22	39.44	9.75	25.03
Educational Characteristics					
College Type and Selectivity					
Public, non-selective college	54.71	56.45	46.97	61.14	54.66
Public, selective college	29.91	18.58	24.61	28.94	27.50
Private, selective college	15.38	24.97	28.42	9.91	17.84
Cumulative College GPA (mean)	2.87	2.51	2.28	2.89	2.75

Table 4.1 (Continued)

	White	Latina/o	Black	Asian	Total
Financial Aid					
Parents contributed toward college tuition	61.57	48.77	43.66	62.38	58.02
Pell grant	53.10	77.87	84.07	72.32	62.23
Work study	11.01	14.37	17.53	14.99	12.70
Respondent took loans to pay for college	57.79	65.82	78.13	58.17	61.23
Mean loan amount (in 2011 US dollars)	38,310.95	29,830.16	32,448.42	44,697.77	41,368.69
Employment Characteristics					
Mean annual earnings (in 2011 US dollars)	31,160.80	241,024.02	24,616.81	30,813.77	29,362.04
Works professional/managerial job	44.83	34.97	33.86	46.15	42.55
Ever unemployed (between 2009-2011)	34.09	44.67	50.02	37.89	37.71
Employment Status					
1 Full-time job (35+hrs/wk)	65.84	57.61	58.27	54.26	62.48
2 Part-time jobs (35+/wk combined)	8.21	7.31	9.12	6.10	7.94
1 PT job (<35 hrs/wk)	13.72	16.50	16.34	17.76	14.88
Out of labor force/not seeking work/graduate school	12.23	18.58	16.27	21.88	14.70
Total N					6,515

Source: Education Longitudinal Study of 2002 (ELS: 2002)

Parental wealth includes investments in stocks or real estate

Table 4.2 ***Background Factors Influencing Financial Stress Level, Scale of 0-4: Ordered Logistic Regression, Odds Ratios***

		Model 1			Model 2			Model 3			Model 4			Model 5		
		OR		SE	OR		SE	OR		SE	OR		SE	OR		SE
Background Characteristics																
Race and gen status (ref=Wht NB)																
	Lat NB	1.29	*	0.16	1.29	*	0.16	1.35	*	0.25	1.16		0.23	1.13		0.21
	Lat FB	1.16		0.12	1.15		0.12	1.25		0.21	0.97		0.18	0.91		0.18
	Blk NB	1.71	***	0.16	1.68	***	0.15	1.37	**	0.2	1.05		0.19	1.23	**	0.15
	Blk FB	1.33		0.26	1.35		0.27	1.47		0.49	1.21		0.46	1.08		0.39
	Asn NB	0.68		0.17	0.69		0.17	0.77		0.3	0.71		0.29	0.66		0.29
	Asn FB	1.05		0.08	1.06		0.08	1.09		0.14	0.95		0.13	0.94		0.13
Female					1.32	***	0.06	1.31	***	0.08	1.27	***	0.08	1.23	***	0.09
Race and gen status x Female (ref=Wht NB Male)	Lat NB Fem							0.93		0.23	0.95		0.24			
	Lat FB Fem							0.88		0.22	0.89		0.22			
	Blk NB Fem							1.39	*	0.26	1.29		0.26			
	Blk FB Fem							0.85		0.28	0.80		0.26			
	Asn NB Fem							0.79		0.44	0.87		0.46			
	Asn FB Fem							0.95		0.15	0.97		0.15			
SES (ref = Highest quartile)	3rd quartile										1.40	***	0.09	1.40	***	0.09
	2nd quartile										1.49	***	0.13	1.50	***	0.12
	Lowest quartile										1.47	***	0.15	1.45	***	0.13
Parental wealth (investments in stocks or real estate)											0.81	***	0.05	0.81	***	0.05

Table 4.2 (Continued)

	Model 1			Model 2			Model 3			Model 4			Model 5		
	OR		SE	OR		SE	OR		SE	OR		SE	OR		SE
Married/co-habitating										1.26	***	0.03	1.26	***	0.03
Childbearing										1.73	***	0.11	1.49	***	0.16
Childbearing x Female (ref = no child, male)													1.26	*	0.16
Constant	2.97	***		2.86	***		2.86	***		2.42	***		2.43	***	
r^2	0.009			0.015			0.015			0.053			0.053		
N	6,515			6,515			6,515			6,515			6,515		

*p < 0.1; **p < 0.05; ***p < 0.01

0 = not stressed, 2 = moderately stressed; 4 = very stressed

Table 4.3 ***Background, Education, Financial Aid, and Employment Factors Influencing Financial Stress Level, Scale of 0-4: Ordered Logistic Regression, Odds Ratios***

		Model 1			Model 2			Model 3		
		OR		SE	OR		SE	OR		SE
Background Characteristics										
Race and gen status (ref=Wht NB)										
	Lat NB	1.05		0.12	0.99		0.20	0.89		0.17
	Lat FB	0.86		0.09	0.82	*	0.18	0.81	*	0.17
	Blk NB	1.05		0.09	0.87		0.13	0.83	*	0.12
	Blk FB	0.96		0.18	0.87		0.34	0.88		0.39
	Asn NB	0.67		0.18	0.70		0.34	0.71		0.32
	Asn FB	0.94		0.08	0.94		0.14	0.87		0.13
Female		1.35	***	0.07	1.35	***	0.09	1.34	***	0.09
SES (ref = Highest quartile)	3rd quartile	1.37	***	0.07	1.18	***	0.08	1.22	***	0.08
	2nd quartile	1.40	***	0.09	1.13		0.10	1.12		0.10
	Lowest quartile	1.35	***	0.10	1.08		0.11	1.10		0.11
Parental wealth (investments in stocks or real estate)		0.82	***	0.07	0.94		0.07	0.95		0.07
Married/co-habitating		1.23	***	0.03	1.23	***		1.17	***	0.03
Childbearing		1.34	***	0.15	1.35	***		1.30	**	0.14
Childbearing x Female (ref = no child, male)		1.28	*	0.16	1.24	*		1.17		0.16
Educational Characteristics										
Coll type and select (ref = not sel, 4 yr, pub, NFP)	S, priv, 4 yr, NFP	1.08		0.07	0.99		0.07	0.99		0.07
	S, pub, 4 yr, NFP	1.01		0.06	0.97		0.07	0.96		0.07
GPA		0.70	***		0.71	***	0.03	0.75	***	0.03
Financial Aid										
Ever took out student loan					2.78	***	0.17	2.74	***	0.16
Parents contributed to tuition					0.87	**	0.05	0.85	***	0.05

Table 4.3 (Continued)

		Model 1			Model 2			Model 3		
		OR		SE	OR		SE	OR		SE
Pell grant					1.27	**	0.09	1.18	**	0.09
Work study					1.03		0.07	1.05		0.07
Employment Characteristics										
Earnings (natural log of earnings)								0.98	*	0.01
Works professional/managerial job								0.77	***	0.04
Ever unemployed since January 2009								1.84	***	0.10
Employment status (ref = FT job, 35+ hrs/wk)	2 PT jobs, 35+ hrs							1.42	***	0.15
	1 PT job, < 35 hrs							1.54	***	0.13
	Out of labor force, not seeking work							1.26	***	0.11
Constant		3.16	***		2.71	***		2.68	***	
r^2		0.071			0.133			0.173		
N		6,515			6,515			6,515		

*p < 0.1; **p < 0.05; ***p < 0.01

0 = not stressed, 2 = moderately stressed; 4 = very stressed

Chapter 5

Conclusion

I began this study by arguing that millennials, contrary to media images and reports, are a generation of young people (b. around 1980) who face financial hardship in a way that many have not since the Great Depression. Coming of age in the wake of the largest economic downturn since – the Great Recession of 2008 – this generation has come of age during a time where the labor market is particularly tight despite their relative high levels of educational attainment. Moreover, compared to previous generations, more millennials of color and from poor and working class backgrounds are pursuing college degrees. However, in light of a more competitive job market and high levels of educational attainment, particularly among some of the most historically underrepresented groups in the American college campus, college costs have soared.

Upon the return of soldiers from the battlefields of World War II, the federal government provided them with a number of programs that would help many obtain college degrees, and, eventually a stable, middle class occupation. This sort of investment was key in helping develop and grow the now-declining American middle class. The federal government, through programs like the G.I. Bill, understood that subsidizing higher education was an investment. They knew that soon these veterans, nearly all White men, would help contribute both economically and civically in the years and decades to come. These last few decades have a seen a steady decline in these sorts

of investments in higher education. More and more college students rely on student loans in order to afford college. Graduating college is now understood as an act of self-improvement and, thus, the burden of tuition and other college costs, are borne by the individual. What is particularly problematic with this shift in paradigm is that this harms the many first generation, working class, and students of color that are pursuing college for the first time.

As I discussed earlier, this type of inequality was exacerbated by the dismantling of policies that benefitted Americans of color. Just as the affirmative action policies implemented in the years immediately following the Civil Rights movement helped bridge the gap between Blacks and Whites in educational achievement, income, and access to improved housing, they suffered continuous blows in the courts. The 1980s solidified this rapid dismantlement and exacerbated it by nonsensical notions of "reverse racism." Thus, not only did policies of the late 20th century grow the income and wealth gaps between rich and poor, it also undid and reversed some of the progress made my policies meant to ensure equity between Whites and groups of color.

Despite criticism of millennials as self-absorbed and entitled, the economic reality into which they were born and into which they are expected to live is dismal. Exacerbating the harmful policies of the 1980s was the Great Recession of 2008. Coined the greatest economic downturn of since the Great Depression, this introduced immense turmoil on Wall Street and large banks which reverberated on Main Street. The economy shed large numbers of jobs, harming workers, even as banks were provided with federal bailouts. Many older millennials, those born in the early to mid-1980s, entered the labor market at this time. The derision aimed at this generation is hardly warranted given their uniquely precarious financial well-being.

Higher Education: Engine of Mobility or Reproducer of Inequality

A long debate in sociology and other fields pits education as an engine for mobility versus education as the reproducer of inequality. Like many others before, this study suggests a more complicated truth, somewhere between the two and not quite either. As mentioned above, millennials live an era where a college degree is the minimum credential for entry level employment. As such, young people today are the most highly educated compared to their older counterparts. A large body of research shows the financial benefits a college degree bestows, compared to those with a high school diploma alone. In addition, college offers social and cultural capital benefits that can last a lifetime and beyond. Parents with college degrees not only benefit from higher incomes but also transfer advantages to their children such as a leg up in school, compared to poorer children. Status attainment literatures established, decades ago, how education helps mitigate parental SES. Educational attainment is the protection many poor and working class people need in order to have a chance at a higher standard of living. Indeed, possessing a four-year college degree is beneficial both in the short and long term.

However, research also shows that this credential is not a guarantee of positive social outcomes. For example, college graduates today are more likely than those before them to carry heavy student debt burdens. Entering a tighter labor market, one deeply shaped by the Great Recession, results in greater competition for fewer jobs. This tips the advantage toward employers who can help decide employee salaries. All of this can make this generation of young workers fear about their ability to meet their financial

obligations. It is because of these factors I outlined above that I make a case about higher education playing the role of an elusive equalizer. This places this important institution someplace between engine of financial stability and as mere reproducer of existent inequalities.

Research Questions That Drive This Study

To better understand the role of a four-year college degree, the key to even entry level employment for many young people, I pose the following research question: Does a four-year college degree afford all millennials similar financial benefits. More specifically, do millennials struggle with student debt equally or does it burden some groups of college graduates more than others? Once they graduate from college, is there parity in earnings among millennials? Or do the same old inequalities persist, namely along racial and gender lines? Lastly, do millennials equally struggle with financial stress, that fear of the inability to meet all financial obligations or do some groups grapple with this more than others. I limited the study to a cohort of millennials born around 1986 to reduce extraneous factors that differentiate this group of college graduates with those of previous generations.

Outcomes of Interest

Student debt

As I mentioned in the introduction, the first outcome I investigate is student debt. College tuition has increased at alarming rates at the same time that federal and state governments have shifted their view of higher education. While after World War II, the federal government produced policies to increase educational attainment among a largely White and male population returning from war, recent decades show a steady decline in this type of investment. Instead, higher education is best understood by the government as a tool for self-improvement. As such, it requires a decreasing degree of subsidization. This proves to become a difficulty disproportionately to the new waves of college goers from disadvantaged backgrounds, namely African Americans low socioeconomic status students.

Debt is the opposite of wealth. Sociologists like Oliver and Shapiro show its unique significance apart from income. Income is a crucial determinant of financial well-being as I argue below. However, it is far less durable than wealth. While one can lose income instantaneously as a result of serious injury or a lay-off, wealth provides long-term protection from financial catastrophe (Conley 1999). In addition, traditionally, most Americans' wealth has been tied to one's home. People of color, especially those who are poor or working class, are much less likely to own their own home and, thus, much less likely to possess much in the way of wealth. The post-World War II large-scale development of suburbs largely excluded Blacks; this was reinforced by redlining policies. Lest we make the mistake that these discriminatory policies are a thing of the past, one must remember that the Great Recession exposed banks' predatory loans imposed on many people of color. This led to the further depreciation the relatively little wealth Blacks and Latina/os did possess.

Because of this, I included an analysis a measure of student debt. Further research will need to assess to what extent the taking on of this debt burden hampers this generation's ability to pursue life course events such as marriage/cohabitation, childbearing, purchasing a home, and accruing wealth in order to transmit it to the next generation. This kind of work will require much more time. However, I still found it crucial to include a measure of debt in this study and, thus, I chose the likelihood of needing to borrow for college in order to afford it.

The findings in this study suggest that native-born Black millennials rely on student debt far more than their White counterparts despite controlling for important factors such as SES, parental wealth, academic achievement, and financial aid. Though necessary, holding these constant did not eliminate Blacks' disproportionate reliance on student debt in order to make college affordable. Note that this is made worse by the fact that Blacks, on average, possess much less wealth than Whites. Further, the relatively little wealth Blacks did possess, was largely reduced to nothing by the Great Recession. Among millennials, a college degree is not enough to reduce this burden for Blacks.

Millennials who come from poor and working class backgrounds also struggle with greater odds of accruing student debt. The findings in this chapter suggest a definitely yet nonlinear association between SES and the reliance on student debt in order to pay for college. All quartiles below the very highest struggle more with debt. However, the second quartile SES respondents rely more on loans than either the third- and lowest SES respondents. What this means is that though middle income and the very poorest millennials rely on student loans more than the most well-off, it is this in-between quartile that struggles the most. This finding has urgent implications for

financial aid policy makers. That parental wealth plays a key protective role in lowering the odds of taking out a loan places further emphasis on this policy relevance.

Looking into student debt highlighted the importance of financial aid. I argue throughout this dissertation that financial aid is important, perhaps more so today than ever before. However, there are key distinctions in the types of aid available for various student populations. Namely, Pell grants benefit mostly low income students while some types of loans help those who are middle income. In the analyses below, I include three major forms of aid young people tend to receive: parental contributions, the aforementioned Pell grant, and federal work study. What I find is that receiving parental contributions and a Pell grant are key in lowering the odds of needing to borrow for college. However, those who participate in work study are nearly four times more likely to borrow than their non-work study peers. This finding suggests that those affluent enough to receive financial help from their parents as well as those with sufficiently low income to receive a Pell grant both enjoy some protection from student debt. Perhaps those who fit in neither category might be at increased risk of accumulating student debt.

Earnings

As I mentioned above, annual earnings are one of the most easily discernable indicators of financial well-being. There are long-standing and substantial differences in pay among various groups, even for the same work. Since White women entered the labor force in large numbers after World War II, a significant earnings gap existed between them and their male counterparts. This pay gap has decreased at an incredibly

slow pace. In 2012, women earned 84 cents for every one dollar men earned[18]. However, the gap varies widely by race with women of color faring the worst[19]. Black and Pacific Islander women earned just about 65% of what White men earned; White women earn just under 80% of what White men do while Asian women earn 90%. Latinas fared the worst by earning roughly half of what White men earn – a mere 56%. At the current rate of progress, Black women will reach pay equity in the year 2124; Latinas would not achieve it until 2248[20]. In addition, childbearing status affects salaries. Not only do women tend to earn less than men, mothers also earn less than their male counterparts[21]. In fact, women who are parents earn less than men who are childfree. Employers compensate workers differentially according to their race, gender, and even parenting status.

As various bodies of literature indicate, educational attainment is a key factor in determining one's income. Among Americans aged 25 and over, there are steep inclines in earnings with each additional educational credential. For example, those with bachelor's degrees earn nearly 70% more than those with a high school diploma alone[22]. Those with Master's degrees earn about 20% more than those with only a bachelor's credential. And, those with professional degrees such as law or medical degrees, earn more than 50% more than those with just bachelor's degrees. Thus, possessing an educational credential above a high school diploma yields much higher salaries.

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[18] Kochhar, Rakesh. "How Pew Research measured the gender pay gap." Pew Research Center. http://www.pewresearch.org/fact-tank/2013/12/11/how-pew-research-measured-the-gender-pay-gap/ 11 December 2013.
[19] Leber, Rebecca. "The Gender Pay Gap is Bad. The Gender Pay Gap for Women of Color is Even Worse." The New Republic. https://newrepublic.com/article/121530/women-color-make-far-less-78-cents-mans-dollar 14 April 2015.
[20] Institute for Women's Policy Research. "Employment, Education, and Economic Change." https://iwpr.org/issue/employment-education-economic-change/pay-equity-discrimination/ 31 October 2016.
[21] Department of Labor, Women's Bureau. https://www.dol.gov/wb/stats/mother_families.htm 2013.
[22] Bureau of Labor Statistics. https://www.bls.gov/emp/ep_chart_001.htm/ 15 March 2016.

Because of its significance in indicating financial well-being, annual earnings is the outcome of focus in chapter three. Specifically, I am interested in understanding what factors influence post-college annual earnings for millennials. By holding educational attainment constant for all in the sample, I hoped to eliminate the credential as a factor in determining respondents' earnings. Yet, I found that other, important differences remained. Though this study focuses only on millennials who obtained a bachelor's degree within four years, important differences in earnings emerged. Namely, native-born Latina/os and Asians, regardless of nativity, earned less than Whites. However, Asians' lower earnings appear to be associated with their disproportionate absence from full-time work. The findings suggest that Asians' might have lower earnings because they are out of the labor market but not seeking work. This category includes those pursuing graduate degrees, something that many Asians often do after college. Thus, I argue that the more troubling finding seems to be Latina/os' lower earnings. Nothing else in the model explains this disadvantage. More work will need to be done in the future in order to understand this.

Another other important factor that influenced earnings was motherhood. Past studies provided evidence of a motherhood penalty whereby the mere event of parenthood hinders women's success in the workforce. I wanted to see if this still existed among a generation of young people who not only express beliefs in egalitarian gender roles but also are the most well-educated in terms of college degree attainment. If a high school degree was the minimum credential to engage fully in the labor market since the end of the WWII and a college degree fulfills that very purpose in today's economy, then it would follow that this generation of young Americans are among the most well-prepared. And yet, I find that despite obtaining four-year college degrees, millennials who become mothers earn significantly less than childfree men. There appears to be a

distinct discrepancy between this generation's beliefs about gender parity and how the labor market responds to their respective genders and parental statuses.

Financial stress

The third and final outcome I investigated was the experience of financial stress four years after graduating college. The ELS characterizes financial stress as the worry about being unable to meet all of one's financial obligations. It is a subjective rating on a scale from 0 (no financial stress at all) to 4 (extreme amount of financial stress experienced). In included the analysis of financial stress because I believe it provides a more holistic and multi-dimensional view of one's financial well-being. While whether or one needed to take out student loans in order to afford college or how much one earns are both objective ways to assess someone's financial picture, financial stress captures internalized pressure. This matters because past research shows how the experience of financial stress has very concrete repercussions including the harming of one's children's ability to learn[23].

The findings suggest that native-born Latina/os have higher odds of experiencing more stress than Whites until one controls for socioeconomic status. More striking, however, are native-born Blacks' higher odds of financial stress. They have higher odds of more financial stress than Whites even after taking into account background factors such as socioeconomic status, parental wealth marital and parental status. The statistically significant difference in financial stress disappeared only when I controlled for educational characteristics such as school type, selectivity, and cumulative grade point average. This suggests that higher education has an important impact on Black

[23] The Urban Child Institute. "Stress Has Lasting Effect on Child's Development." http://www.urbanchildinstitute.org/articles/editorials/stress-has-lasting-effect-on-childs-development 15 February 2012

millennials' experience of financial stress four years after graduating from college. What is more, once the models held constant financial aid characteristics, native-born Blacks actually had lower odds of experiencing higher levels of stress than Whites. In this, regard, education, both type of college as well as financial aid received, truly serve as an equalizer for native-born Black millennials.

On the other hand, the findings suggested no such reprieve for female millennials. Women had higher odds of financial stress than men in every single model. Thus, regardless of controlling for background, educational, financial aid, and even employment characteristics, millennial women had greater odds of experiencing more stress about their finances, compared to their male counterparts. In fact, women's odds remained constant despite the added covariates. This suggests that to reduce women's greater likelihood of more stress, more work will need to be done. These models show that the answer might lie beyond family background, education, and employment. That women experience are more likely to feel out of control over their finances is unsettling.

Though background factors were unable to eliminate the statistically significant difference in stress between female and male millennials, it was importantly related to the experience of stress in low income respondents. Respondents in every socioeconomic quartile lower than the highest had a higher likelihood of greater stress. Those millennials whose parents helped pay for college were, likewise, less likely to experience high levels of financial stress. Respondents relying on student loans were at a very high risk of feeling great levels of stress. These odds remained stable until the models controlled for financial aid characteristics. This suggests that financial aid is of crucial important in helping lower the odds of high levels of financial stress for lower income millennials. Including financial aid factors also eliminated the statistically

significant difference in stress between those whose parents could pay for college and those not fortunate to have these parental resources. It is important to note, however, that including financial aid and even employment characteristics did not completely eliminate the statistically significant difference between the highest SES respondents and those in lower SES quartiles. There are other factors, not accounted for in the models, that contribute to low income millennials experiencing greater loss of control over their finances. These could be greater financial burdens and responsibilities from their families of origin. Whatever the reasons may be, more work ought to be done in this area. Of particular value might be qualitative research in order to better assess what low income millennials' financial burden entails. As for socioeconomic status, financial aid is necessary in ensuring equity between high and low income millennials, but not sufficient.

Finally, those respondents who decided to start families had higher odds of greater stress levels than their childfree counterparts. What is more, women who were parents were more likely to experience financial stress than childfree men in every model until I included employment characteristics such as yearly earnings, professional/managerial status, and employment status. Interestingly, women who are mothers tend to face a disadvantage in all these regards. Ultimately, being a parent was associated with a greater likelihood of more financial stress net of numerous background, educational, financial aid, and employment characteristics. Millennials are the latest generation of American workers to grapple with the challenge of having a family while participating in the labor market. Possessing a college degree is insufficient in protecting parents from greater stress levels than their childfree peers. I argue that this finding adds to the growing calls to policymakers to provide parents with greater

access to more robust parental leave, for both parents, as well as increased access to high quality childcare.

Implications for Social Policy

I would be derelict in my duties if I ended this study by merely describing the findings. Instead, I believe it imperative to provide at the very least an outline for some policy suggestions that might help mitigate the inequalities that my findings suggest. Despite what some scholars argue, student debt is a serious problem for this generation of workers and, in particular, for those who come from families with little wealth – African Americans and students from low income families. It is not just the amount of debt taken on that poses a serious threat to these millennials' financial well-being and security. What further strengthens my argument is that both Black and low income millennials are much more likely to experience high levels of financial stress, years after graduating with their four year degrees. In addition, the findings suggest repeatedly that financial aid is of crucial importance. Thus, social policy ought to push for an expansion of financial aid, instead of the cuts many state budgets have been facing. If indeed, we as a society, we wish to equip our young people with the skills necessary to buoy the new economy, then policymakers must take seriously the responsibility to help better fund a college education.

This study adds to the growing call for robust paid parental leave for both parents. In addition, I argue that high quality childcare ought to be expanded and understood as a right for all, rather than a luxury for the very affluent. Parents face higher levels of stress than those who are childfree. We know that stress provides not only a short term, personal burden but it can greatly hamper the development and ability

to learn of children. Because of this, I argue that providing expanded parental leave and quality childcare are essential. It ought to bear repeating that the United States, indeed, is the only among its industrialized peers to have such paltry provisions for parents. To catch up, policymakers must realize that making these types of investments will produce healthier, more well-adjusted students who might require more costly resources later in their educational trajectory.

The study's findings suggest that Latina/o and Asian millennials earn less than their White counterparts. After controlling for background, academic, and employment characteristics, being native-born Latina/o and Asian, regardless of nativity, was associated with lower earnings, when compared to their White peers. Though holding constant labor market factors eliminated the difference in earnings between millennial men and women – with women earning slightly more – Latina/os who worked two or more jobs that equaled a full-time work week earned less than Whites. Likewise, Asians who were out of the labor market, especially those who are native-born, were likely to earn significantly less than Whites. The latter finding makes intuitive sense since Asians tend to be overrepresented in graduate school at this stage in the life course. Future research will likely show improved earnings later in these millennials' careers. More troubling, however, is that Latina/os who work multiple jobs earn less than Whites. Future research must address what jobs college educated Latino/a millennials acquire after graduating as well as how well they pay compared to other groups. Also puzzling is why this segment of middle class Latina/os needs multiple jobs. It might be a symptom of a lagging economy or, perhaps worse, it might suggest some sort of discrimination in the labor market.

It is clear that post-college graduation employment characteristics make a difference in millennials' earnings. One's type of occupation, experience with unemployment, and the extent to which one is engaged in the labor market are all crucial factors that impact one's earnings. Across the board, working professional careers, avoiding unemployment, and engaging in the labor market on a full-time basis are all associated with greater earnings. What is more is that in the final analyses hailing from a lower socioeconomic background or from a family of little wealth did not impact final earnings. However, it is distressing that Latina/os who work multiple jobs earn less than Whites. That this group of millennials struggles with lower earnings despite a college degree might signal something amiss in the labor market.

Mothers are also at a consistent disadvantage in the labor market by earning less than childfree men despite the various factors that the models held constant. Millennial mothers are the latest generation to face an uphill battle in earnings parity. As I argued above, parental leave and greater maternal protections in the labor market are long overdue. It is time to let go of antiquated and erroneous perceptions of mothers in the labor market. It is time for employers to stop penalizing women for bearing children. Not only does this perpetuate inequality it hurts the financial well-being of families and the economy at large.